The China Weekly
REVIEW
密勒氏評論報

A Weekly Newspaper Established in 1917

Puppet Governments---Can Japan Make Them Pay Dividends?

ARTICLES IN THIS ISSUE

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Lake Baikal—Key to Asia . . . . . By Harrison Brown

SATURDAY, MARCH 5, 1938 VOLUME 84, NUMBER 1

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密勒氏評論報
The China Weekly REVIEW

Formerly Millard's Review

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Formerly Millard's Review

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POSTAL CENSORSHIP SHOULD NOT BE PERMITTED

AFTER much subterfuge the Japanese admitted through their official press service on Wednesday of this week that Japanese censors are to be placed in the Central Post Office at Shanghai. The announcement stated that the censorship would not inconvenience bonafide private and commercial correspondence of foreign residents. The fact that the Japanese referred to foreigners and their correspondence, constituted grounds for apprehension. Are the foreigners to grant the Japanese the right to say whether their private or commercial letters are "bonafide?"

The only way to determine whether letters are *bonafide* (from the Japanese point of view) would be to open and read them!

Aside from the opportunities for espionage, or to use a more expressive term, spying into the private affairs of foreigners, the worst feature of Japanese postal censorship will be the delay and interference with the mail. This has been the experience in North China where it was disclosed that the Japanese censors had deliberately destroyed mail which the censors had no time or ability to read. Many persons in both Peiping and Tientsin whom the Japanese militarists for some reason or another did not like, were not permitted to receive any mail at all, not even copies of Shanghai newspapers for which they were subscribers.

Since the United States and other Powers have now made a stand on the question of Japanese responsibility for losses, it is assumed that they will follow a similar course on the matter of censorship. After all, interference with private and commercial mail might constitute a most potent cause of loss, even worse than airbombs. Foreign merchants doubtless realize what will happen to their enterprises when the secret agents of the Mitsuis and Mitsubishis are permitted to peruse the private and commercial mail of foreigners that pass through the local post office.

The foreign consular officials at Shanghai should immediately make such strong and emphatic representations on this subject that the Japanese would not dare to carry out their plans. The Japanese would not have been able to establish their censorship over cables if the foreign consular officials had taken a stand on the subject earlier.

If the Japanese should go ahead and install their censors, despite the protests of the foreign Powers then the foreigners should take immediate steps to dispatch their mail through other channels, as they did several years ago when most foreign countries operated their own postal agencies here. But that is something for the future. Of immediate interest is the matter of acting to prevent the inauguration of Japanese cansorship in the Central Post Office. *Based on the statement of the Japanese Embassy spokesman censorship may be directed primarily at the mail arriving here from the United States!*

FINANCIAL LEGERDEMAIN IN THE NORTH AND ELSEWHERE

WHEN the Chinese National Government at Nanking decided to abandon silver as a unit of currency and adopted unified national currency in its place, the Chinese bankers and financial interests in the North, with the support of the political and military leaders, refused to hand over the silver in the bank vaults of Peiping and Tientsin. In other parts of the country the silver was handed over to the Central Bank in exchange for national bank notes.

But Peiping-Tientsin retained their silver, some $56,000,000 worth, and used it, together with the reflected credit and prestige of the Central Bank as basis for note issues amounting to between $200,000,000 and $300,000,000. Even after the beginning of the war, Peiping could have saved its silver as Shanghai did, by shipping it south, but Peiping clung to its treasure—and had to hand it over to the Japanese following the defeat and withdrawal of the Chinese forces.

Despite complications incidental to the Japanese occupation, Central Bank notes and the notes of the Bank of China and Bank of Communications remained stable and on a par with Shanghai. But the Japanese wanted their own bank and recently have established one which they mis-named "Federated Reserve" in imitation of the well known Federal Reserve system in the United States which enjoys prestige throughout the world. The unannounced object of the Japanese, in creating a new financial organ, was to have a bank which they could control and use in the exploitation of the country and its people. Their announced purpose was to promote economic cooperation between Japan, China and Manchukuo.

But what about the large quantities of Chinese paper currency in circulation in the North, said to amount to between $200,000,000 and $300,000,000, which the Japanese desire to replace with notes of their own bank, which are to be closely linked to the Yen and also to the Manchukuo unit? The answer is simple. The Chinese Central Bank should take over the North China notes at the prevailing rate, equivalent to approximately 29¾-cents in U. S. currency. Should the Japanese be able to put over their scheme, their new bank would acquire some $62,000,000, or its equivalent, in U. S. currency, in addition to the $56,000,000 in silver which it acquired when the Japanese seized the Chinese banks.

What is likely to be the outcome of this financial juggling cannot be foretold, but the Chinese Central Bank has not, naturally, consented to "take over" the stocks of banknotes in the North. The Japanese are therefore in a predicament because the old Chinese notes have begun to fall as a result of the establishment of the new bank and announced Japanese intention to issue new notes linked to the Yen. Should these notes continue to fall and should the Japanese force the people to exchange their notes at a discount it would not add to the prestige of their new bank.

There is also the suggestion that Japan's guarantee of another large bank note issue in North China, as was done in the case of Manchukuo, actually amounts to further inflation of the Yen. A long discussion of the question of North China currency in the *Asahi* suggested the possibility of complications in connection with the maintenance of the 1s 2d exchange rate. The Japanese also are worried because foreign merchants have taken advantage of the reduction of customs duties in the North to import vast quantities of Australian, Canadian and American flour which, according to the *Asahi* is disadvantageous to Japanese merchants.

In order to prevent the situation from getting out of hand, the Japanese are now planning "exchange control" and other regulations to prevent foreigners from taking advantage of the situation, and also to control the exchange situation resulting from complications caused by the organization of the new bank.

WHY NOT EXPAND HULL'S DOCTRINE OF RESPONSIBILITY?

SECRETARY of State Cordell Hull officially notified Japan (Feb. 25) that American nationals are entitled to live in China and that the United States will hold Japan strictly accountable for any injury to Americans in China or damage to their property resulting from Japanese military operations.

The text of Secretary Hull's note was not revealed, but a summary telegraphed by *United*

Press from Washington stated that Ambassador Joseph Grew had informed the Tokyo Foreign Office that warnings by Japanese military authorities in China advising Americans to seek safety outside zones of military operations, would in nowise excuse or lessen Japan's responsibility for any injury to Americans or damage to their property in China. Mr. Grew, in his notification to the Japanese, said that Americans in zones of hostilities had tried to comply with Japanese requests by marking their property, but he emphasized that this action did not mitigate Japanese responsibility. In commenting on the Note, Secretary Hull said that the United States had not raised the question of Japanese military movements as such, but had only emphasized the question of damages to United States property or injury to American nationals. It also was reported that other nations were taking parallel action in reserving the right to claim damages under international law for property or persons molested by foreign troops. Even the Germans, despite Hitler's recognition of Manchukuo and expressed hope of a Japanese victory, followed the American precedent and sent Japan a similar note.

The Japanese (*Domei* from Tokyo, Feb. 26) denied that the Japanese Army had requested evacuation of Americans from war zones, but had nothing further to say when they were confronted with a copy of a written request which the Japanese military authorities had handed to the Diplomatic Corps in Peiping on Feb. 3 recommending the withdrawal of third power nationals from the fighting zone. On Feb. 15 the Tokyo Foreign Office had also sent identic notes to the various embassies making a number of suggestions, some of which were regarded as quite impracticable. The proposals included withdrawal of third power nationals from a wide area north of the Yangtsze, marking their properties with flags and reporting the location of those properties, together with maps, to the Japanese military headquarters. On Feb. 13 the Japanese Government announced that steps were being taken to prevent infringement of foreign rights and interests in Japanese-occupied areas, including the dispatch of a high official to China to insure execution of Tokyo's instruction to the Japanese generals. These steps were enumerated in the Japanese reply to Secretary Hull's Note. Later on, however, the Japanese Embassy in Peiping, made a curious proposal that the U. S. Embassy should urge the Chinese Central Government to order Chinese troops to evacuate areas adjacent to foreign properties. Mention was made of the city of Chengchow, at the junction of the Lung-Hai and Peiping-Hankow railways, which the Japanese had declared their intention of air-bombing. On a previous occasion the Japanese had dropped 100 bombs in the town severely damaging the properties of the American Southern Baptist Mission, despite the fact they were plainly marked with American flags. This particular bombing also resulted in the killing of a large number of Chinese civilians.

Secretary Hull's note to the Japanese actually was a condensation of a much more imposing doucment outlining American rights in China which he submitted to the U. S. Senate on Jan. 8. In this communication the Secretary of State said that the interest and concern of the United States in the Far Eastern situation . . . was not measured by the number of American citizens, nor by the amount of their investment, nor by the volume of trade . . . "There is broader and much more fundamental interest—which is that orderly processes in international relations be maintained . . . This interest far transcends in importance the value of American trade with China or American investments in China."

American policy, aside from the protection of American citizens and their properties, consists in maintaining orderly processes in international relations, in other words, the re-establishment of normal international relationships as governed by treaties and agreements. Therefore, if Japan is to be held strictly responsible for damages to American property, it naturally follows that Japan should likewise be held responsible for violating international rights—in other words, Japan should be held responsible for all of the damage she has created in China irrespective of the nationality of the victims!

TONG SHAO-YI'S NAME AGAIN LINKED WITH PUPPET NANKING REGIME

AGAIN there are rumors of another Japanese attempt to create a new "national government" in Nanking—and again the Japanese political schemers are using the name of the venerable Tong Shao-yi, former Premier under the old regime and a member of the Kuomintang Party.

But of greatest interest and significance in connection with the Japanese program is the report—said to be quite confidential—that instead of calling the new administration a "Central China Government," as originally planned, the Japanese military authorities have decided to dignify it with the title, "National Government of China." Some of the reports say they even intend to bring the Provisional Government of Peiping into the Nanking fold, but this is unlikely as Wang Ke-ming's administration probably will continue to hold out north of the Yellow River.

Members of the Kuomintang, and foreigners as well, will smile when they learn that the new Nanking Government will parallel, so far as organization is concerned, the organization or plan of the present National Government. There will be five Yuans, the usual Ministries but the Chief Executive will be a "President" instead of Chairman. It appears that the Japanese are beginning to put a little sugar-coating on the political pill they would have China swallow!

As for Tong Shao-yi and his alleged connection with the new regime, the Japanese have announced that Mr. Tong is shortly proceeding to Peiping on a "pleasure trip."

Rivalry for the post of premier between Li Kuo-chi or Marquis Li (grandson of the late Viceroy Li Hung-chang) and Chen Chung-fu, former Chairman of the Foreign Affairs Commission of the Hopei-Chahar Political Council, is said to be a chief cause of delay in the establishment of the new regime. But the dispute between Li and Chen is reported to have been settled by the Japanese selection of an "acting" premier, Liang Hung-chi, member of the old Anfu party and one time chief secretary to the Anfu leader, the late Marshal Tuan Chi-jui. Li Shih-hao, another Anfuite, also long associated with the Japanese, is mentioned for the post of Minister of Finance, while Chen Chun, former rightist Kuomintang politician and until lately Principal of the Cheng Shih Middle School in Shanghai (founded by Tu Yueh-sen), is to become Minister of Interior. Mr. Chen's house in Shanghai was recently the target of a bomb attack.

Chen Tao-yi, former Civil Governor of Kiangsu when the late Marshal Sun Chuan-fang dominated the five southeastern provinces, is also mentioned, but no definite post assigned to him. Lastly is a Formosan by the name of Wang Chi-wei, who is to become Minister of Industries.

Chief obstacle to formal announcement of the new regime allegedly is the question of how appointments are to be made. While the Formosan Wang has urged the Japanese military to appoint the new government, the Chinese sponsors wish it to be elected by a nominal "People's Congress" in order to give it an appearance of popular support. It is thought the Chinese will have their way and appointments will be made after nominal delegates from the Japanese occupied areas have "elected" them.

Col. Sanetaka Kusumoto, head of the Special Service Bureau of the Japanese Army in Shanghai, was entrusted by Gen. Iwane Matsui with the task of organizing the new government. But he has found great difficulty in uniting malcontents and allegedly has spent a half million dollars without making any appreciable headway.

There are rumors that Chen Chung-fu is planning to call a "People's National Assembly" to elect the new government. Self appointed representatives of various provinces would be delegates. Anhwei, for instance, would be represented by Li Kuo-chi; Chekiang by Li Shih-hao; Fukien by Chen Chun, while Chen Tao-yi who is reported to be still in Shanghai, would represent Kiangsu and a politician named Wen, would represent Kwangtung.

The new government, when and if established, would pursue a strong "anti-Communist" policy, would continue to use the Kuomintang emblem as the National Flag and even would not suppress the Kuomintang. The *Ta Mei Wan Pao* reported certain Chinese bankers in Shanghai might take part in the new organization.

Despite reports of its early amalgamation the Peiping government is extending its activities and assuming control over Shantung as evidenced by the appointment of Liu Lun as Director of the Shantung Salt Control Board. Yin Tung, formerly Managing-Director of the Peiping-Liaoning Railway and close associate of the late Huang Fu, is actively working for its expansion. He recently returned to Peiping from a trip in Japan and has been mentioned for the post of Governor of Shantung. Conditions in Shantung are extremely unstable with Chinese mobile units active and harassing Japanese lines of communications. In Chefoo, the Commissioner of Police, an appointee of the Peiping regime, was assassinated.

Hopei is equally confused. Efforts of Gen. Chi Hsueh-yuan, former military governor of Kiangsu and now Minister of Public Safety of the "Peiping Provisional Government," to pacify the bandit forces in the province have been unsuccessful. The "Provisional Government" has promulgated an Anti-Sedition Act, which prescribes captial punishment for those who plot against the new administration.

Arrival at Hankow of T. V. Soong, former Finance Minister and now Chairman of the Board of Directors of the Bank of China, is regarded as significant in both Chinese and foreign circles. His presence has given rise to many rumors, none of which had been confirmed, including the all-important report that Mr. Soong will soon join the Government and assume the post of Minister of Finance.

Other sources stated that Mr. Soong might shortly depart for America and Europe on an important mission, concerned with the replenishment of China's military supplies. Mr. Soong's presence in Hankow is significant in that it put at rest rumors of disagreement within the Soong family. It was previously alleged that the purpose of the recent visit to Hongkong of Madame Chiang Kai-shek and Dr. H. H. Kung was to persuade Mr. Soong to come to Hankow and accept the post of Minister of Finance. Another report possibly the correct one, stated Soong had been appointed Chairman of the Aeronautical Commission.

Despite reports of adverse military developments, the National Government has announced early resumption of meetings of the Legislative Yuan, which have been suspended for more than four months. Owing to the absence of Sun Fo, President of the Yuan, the meetings will be presided over by Vice-President Yeh Chu-tsang. The Japanese report that the Government had decided to remove its offices from Hankow to Heng-yang, in Hunan, was denied. Support of the Chinese people in Shanghai of the National Government was evidenced by the report of the Shanghai Chamber of Commerce that more than $12,000,000 worth of Liberty Bonds had been subscribed by Shanghai merchants.

The *Hsin Hua Jih Pao*, Communist organ at Hankow, in a recent editorial, praised Gen. Chiang's action in suppressing corruption in the Government. The editorial expressed approval of Gen. Chiang's action in ordering the execution of magistrates at Luho in Anhwei and Quemoy in Fukien, who had deserted their posts. "Unless corrupt officials are liquidated," the editorial emphasized, "we shall lose the support of the people in the war."

The political crisis in Szechuan caused by opposition of provincial military leaders to the appointment of Gen. Chang Chun as Chairman of the province is reported to have been settled. Gen. Teng Hsi-hou, leading Szechuan commander, has been appointed Pacification Commissioner and entrusted by General Chiang Kai-shek with the task of readjusting military affairs following the death of Gen. Liu Hsiang. Gen. Teng is said to have the confidence of the Government as well as the political leaders in the province. Troops under Gen. Teng were the first Szechuan units to participate in the war against the Japanese here at Shanghai. More recently, after fighting they were transferred to the Tientsin-Pukow Railway zone. Gen. Teng is now at Hsuchow, directing operations.

The appointment of Gen. Chang Chun has not been withdrawn, but in order to pacify recalcitrant Szechuan military leaders and stabilize the political situation there, the Government is considering the appointment of Hsu Shih-ying, former Ambassador to Japan, in place of Gen. Chang as Chairman of the province. It was also reported that Gen. Teng Han-hsiang, Secretary-General of the Provincial Government, might be appointed Acting Chairman.

H. C. H.

Can Japan Make Puppet Governments Function and Pay Dividends?

BY HUBERT S. LIANG

EVEN if Japan should succeed in establishing military control over the whole of China—an extremely unlikely probability—it would not mean that Japan had won the war. It is obvious that more than a military victory is needed to win a war in these modern days.

The success of Japan's adventure on the Continent will depend solely on the ability of the small group now in control of the Japanese government to make the occupied territories pay dividends within the shortest possible period of time. That the Tokyo government and its present controllers have taken these matters into consideration is obvious. That is why desperate efforts are now being made to set up puppet government in occupied areas wherever and whenever possible.

This was the procedure which the Kwantung army officers and their associates followed after the seizure of the Manchurian provinces six years ago and other Japanese officers are following the same procedure at the present time in areas which have been occupied by the Japanese army in North and East China.

In addition to these activities there is an obvious attempt being made to create the impression in Japan that the army is meeting with success in creating "good will and friendship" on the part of the Chinese people toward Japan. For example, the *Osaka Mainichi* on February 22nd, contained almost a full page of pictures taken in Nanking showing Japanese soldiers fraternizing with Chinese children.

In view of this orientation of Japanese policy, it is of interest to examine these puppet regimes as well as conditions prevailing in occupied zones. Let us start with the Manchurian provinces. Japan has had six years undisputed rule in Manchuria. I mean undisputed by any outside force. What kind of a job has Japan made of it? Granted—there has been much material improvement, particularly in railway and road construction. Certain so-called heavy industries have been established. Vast sums, estimated to be in excess of a billion yen, have been expended under the direction of the Imperial Army and this has provided jobs and a certain amount of prosperity for the local population. But all of the construction enterprises, whether roads, railways or manufacturing enterprises, have been motivated by military strategy rather than by commercial considerations. The extensive and expensive harbor development and railway projects on the upper northeastern Korean coast are an excellent illustration of this fact. The army wanted these harbors and it also wanted the Korean railways on the east coast of the peninsula linked up with the railways of eastern Manchuria in the hinterland of Vladivostok. The South Manchuria Railway was ordered to do the job and it was either paid for out of military funds, bond issues sold in Japan or appropriations from the Korean colonial treasury. Had commercial considerations been the primary motive, these harbors and railway projects in primitive territories would not have been built under any conditions. But the people of Japan, Manchuria and Korea must bear the burden. The most optimistic of Japanese apologists and propagandists would find it difficult to explain how the past six years of Manchurian occupation have constituted an economic gain for either the Japanese government or the Japanese people.

A well-known German observer who recently made a survey of "Manchukuo" said that the Japanese army had succeeded in converting the country into an 18th Century style colonial administration. First hand observations by competent neutral observers confirm the fact that after six years of military rule Japan has not succeeded in creating a "Paradise on Earth" in Manchuria, at least not from the standpoint of the native poputation. From the standpoint of a majority of the 30,000,000 Chinese residents of that area it has become a living hell. The Chinese people in that vast frontier region have no future except continued exploitation at the hands of aliens. Civil liberty is non-existent. Economic distress in rural areas is so acute that thousands of peasant farmers have been compelled to join so-called volunteer bands whose numbers have been steadily increased despite reports to the contrary from "official" sources. The Japanese even admitted the presence of 10,000 "bandits" recently. And this despite the presence in the country of a vast Japanese army and almost continuous bandit suppression campaigns and so-called "mopping up" activities conducted by the Japanese army somewhat in the manner of tiger hunts in the jungles of Africa. But the Japanese do control the railways which are heavily garrisoned by Japanese troops and gendarmes.

Strictly speaking, there is no such thing as Chinese businessmen as a class left in the country. All major commercial and industrial activities have been monopolized by the Japanese operating

so-called official or semi-official enterprises. Only small retail establishments are still open to Chinese. Japan's complete control of all financial organs makes it impossible for Chinese business men to advance beyond small retail enterprises unless they choose to become agents or clerks of the large Japanese official or semi-official organs. Even the savings accounts in banks are not safe against expropriation for the purchase of government bonds. Few question the fact that the Chinese people in Manchuria, children not excepted, strongly resent Japanese control or that there is gradually being built up a strong resentment and hatred against everything Japanese. Given the slightest chance of success, this resentment would provide the spark to set off a terrific explosion in the Manchurian provinces.

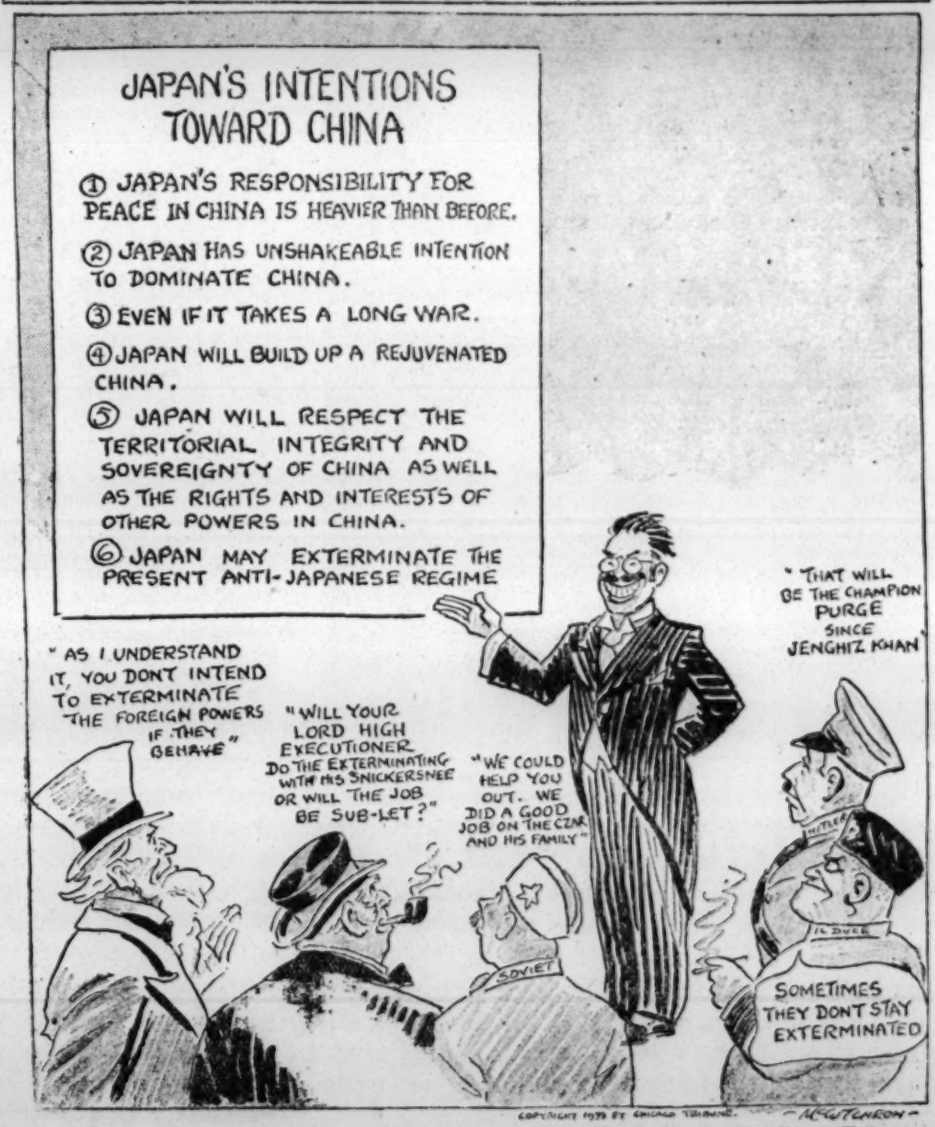
The reorganization of the Manchukuo government a few months ago which involved the elimination of the Ministry of Foreign Affairs and the amalgamation of other departments, has made the Changchung administration more of a puppet of the Japanese army even than it was before. Chinese officials and even the Emperor, Henry Pu Yi, have about as much freedom, rights and privacy as Japanese goldfish in a glass bowl. Their activities are observed and supervised literally day and night. No decisions of any kind can be made except with the consent of advisers appointed by the Army. There are widespread allegations of corruption but none of the reports ever find their way into the censored newspapers.

This is the real picture of the "Paradise" which the Japanese Army announced to the world it intended to establish in the Chinese Manchurian provinces in place of the Chinese "military" administration which was overthrown and driven out.

What about the more recently occupied territory of North China, and the puppet regime headed by Wang Ke-ming in Peiping? A neutral observer, W. Lewisohn of the *North China Daily News*, described the situation in North China to the following effect:

> "In the course of the recent debates in the Japanese Diet certain members got up and attacked the Government, because it was making no attempt to develop and exploit the vast territories in China which the army has conquered and now controls. Assuming that these gentlemen seriously meant what they said and were not talking merely for public consumption, it would appear that even important political circles in Japan are being kept entirely in the dark as to the true conditions in this country.
>
> "To talk of these armies as controlling these vast

JAPAN EXPLAINS THE LATEST SIX POINTS TO THE POWERS


JAPAN'S INTENTIONS TOWARD CHINA
① JAPAN'S RESPONSIBILITY FOR PEACE IN CHINA IS HEAVIER THAN BEFORE.
② JAPAN HAS UNSHAKEABLE INTENTION TO DOMINATE CHINA.
③ EVEN IF IT TAKES A LONG WAR.
④ JAPAN WILL BUILD UP A REJUVENATED CHINA.
⑤ JAPAN WILL RESPECT THE TERRITORIAL INTEGRITY AND SOVEREIGNTY OF CHINA AS WELL AS THE RIGHTS AND INTERESTS OF OTHER POWERS IN CHINA.
⑥ JAPAN MAY EXTERMINATE THE PRESENT ANTI-JAPANESE REGIME
"AS I UNDERSTAND IT, YOU DONT INTEND TO EXTERMINATE THE FOREIGN POWERS IF THEY BEHAVE"
"WILL YOUR LORD HIGH EXECUTIONER DO THE EXTERMINATING WITH HIS SNICKERSNEE OR WILL THE JOB BE SUB-LET?"
"WE COULD HELP YOU OUT. WE DID A GOOD JOB ON THE CZAR AND HIS FAMILY"
"THAT WILL BE THE CHAMPION PURGE SINCE JENGHIZ KHAN"
SOVIET
SOMETIMES THEY DONT STAY EXTERMINATED
McCUTCHEON

McCutcheon in The Chicago Tribune

> areas is simply ridiculous, at any rate as far as North China is concerned. The other picture, also drawn in the Diet debates, of the strong, popular new government at Peiping busy administering the eight provinces of North China and vigorously pushing ahead with its programme of reconstruction and economic development is another pleasant piece of fiction.
>
> "The highly nervous and completely befogged elderly gentlemen sitting in solitary glory in their empty office buildings here, these gentlemen who

form that headless entity, the so-called Provisional Government of China, are doing nothing whatsoever and control nothing at all. It is doubtful, whether their writ runs more than a dozen miles outside the city walls, or whether their names even are known to the vast majority of their countrymen. Nor is this surprising seeing how limited is the control exercised in the country districts by the Japanese army itself, which is their one and only support.

"The only portions of North China where the Japanese can be said to exercise any control at all are East Hopei, Chahar and Suiyuan. In the two former they have been establishing their hold for nearly two years already. These two areas are garrisoned chiefly by 'Manchukuo' troops and, as they border on 'Manchukuo', are in any case easily accessible to Japanese reinforcements at any moment. Suiyuan is held by bodies of Mongol irregulars who are of doubtful loyalty and only likely to fall in with Japanese wishes, as long as it suits their own purpose. In the rest of North China the Japanese armies only hold the railways and larger towns; beyond that chaos and anarchy reign complete.

"The whole of central and south Hopei is swarming with armed and desperate bands of men, partly disbanded soldiery and partly peasantry driven to desperation by the destruction of their homes and means of living. Into this large area the Japanese can only penetrate in strong bodies, and then are liable to be ambushed unless escorted by scouting planes.

"On the Peiping-Hankow Railway which runs almost for its whole length along the mass of mountains leading over to Shansi, communications are quite uncertain. Irregulars are constantly raiding it from these hills, and the country between the railway and the foothills is ravaged by their raids and the counter-raids of the Japanese. Three weeks ago irregulars penetrated to the small town of Wangtu on the line south of Paotingfu and having wiped out the small Japanese garrison held up the line for twelve hours, until driven out by Japanese reinforcements. None of these raids are ever announced in the official communiques.

"In Shansi the hold of the Japanese forces is still more insecure. They hold the line from Shihchiaochuang to Taiyuanfu, but with considerable difficulty. It is their main line of communication. In the first place it is a narrow-guage line, and the Chinese having carried off with them or destroyed the greater part of the locomotives and rolling-stock, it is impossible to replace them for the time being.

"In the second place, the line runs through very wild gorges, and the Chinese sitting in the hills above roll down boulders on to the line and then open up with machine-guns on the standing train and the repair gangs. The Japanese hold Taiyuanfu, Yutzu and Taiku, and that is all. The country immediately adjoining these places swarms with irregulars, and the Japanese do not venture outside the city walls.

"At Pingyao, only 70 miles south of Taiyuanfu are the first lines of Chinese regular forces. Taiyuanfu is said to be in a terrible state. Of the former 150,000 inhabitants only 30,000 at the outside, have returned, and these only because they are starving and in order to partake in the public distribution of porridge. For the rest, this great and formerly flourishing city is completely dead."

Conditions in other occupied areas of East China are similar to those in the North so well described by Mr. Lewisohn. Here at Shanghai, at our very doors, the Japanese Army has also established a puppet administration which it calls the "Great Way" government. It still has its headquarters carefully concealed or "protected" in the Pootung district on the opposite side of the Whangpoo River. This "Great Way" government represents three months of strenuous efforts on the part of the Imperial Army Command. But despite three months of effort by the best brains of the military establishment, assisted by a constant string of diplomats, the Japanese have not been able to find a single Chinese of consequence to head their "Great Way" government. The chief administrative officer still is not a Chinese, but a Formosan, who is said to speak very little of the Chinese language. At best, he is an obscure individual so far as the Chinese people over whom he is supposed to rule, are concerned. Desolation and lawlessness are the outstanding characteristics of the territories controlled by the so-called "Great Way" government.

Chinese mobile units or guerillas actually have operated up to and even within the borders of the area which the Japanese are supposed to control. Despite widespread propaganda in the North about the creation of a new government which will ultimately "control the entire country," it is reported that other Japanese military officers here are likewise engaged in the creation of still another government for Central China. That these efforts are foredoomed to failure is obvious because the only Chinese who will cooperate with the Japanese in these enterprises are disgruntled politicians or unscrupulous political adventurers who are only after Japanese money. One wonders how long the Japanese will continue to pay them in order to maintain the pretence of a Chinese administration?

What then is likely to be the outcome, politically and economically, in these Japanese occupied areas? Obviously the outlook cannot be very reassuring for the Japanese or anyone else, from any possible point of view. Japan's dilemma may be expressed in the old saying of "having your cake and eating it too." By bombing, burning and looting the Chinese countryside, destruction and desolation are about all that remain in areas upon which Japan must depend to make a profit out of her expensive adventure. By committing indescribable outrages, Japanese armies have created terror in the hearts of the people upon whom they had planned to depend for cooperation. Even in areas which are supposed to be completely controlled, Japan's position is none too secure due to the rapid systemization of Chinese guerilla tactics.

It is admitted that the Japanese army has occupied many strategic towns and cities along the

railways. But the hinterlands a few miles off the railways are uncontrolled and have become the center of active anti-Japanese resistance. Even if these areas could be effectively garrisoned by an enormous Japanese force it would still be difficult, if not impossible, to keep them under political control. Despite grandiose paper plans it is quite apparent that the Japanese cannot step in and successfully exploit these occupied areas.

To begin with, Japan does not have the money to carry out the schemes. The Chinese understand this situation all too well and are quite familiar with Japan's extensive propaganda and political maneuvres abroad which have as their objective extensive loans and credits from Britain, United States and France. It is a singular situation that Japan should be trying to borrow money from nations, whose citizens and subjects she is trying to drive out of Asia!

With the rapid awakening of democratic peoples to the real dimensions of the Japanese menace and with a general realization of the exceedingly shaky financial position of Japan it is extremely unlikely that the present controllers of Nippon will succeed in obtaining long term foreign loans or credits necessary for the consolidation of her control, not to mention the carrying out of her visionary schemes.

Barring miracles, which are not likely in this 20th century world, Japan's military adventure, from all points of view, is foredoomed to disastrous failure and the world will be lucky indeed if it escapes diaster as a result of the collapse of the Japanese adventure. The Luikouchao incident which precipitated the present crisis may yet mark the beginning of the collapse of the Japanese Empire as at present constituted.

Sugiyama Explains Army's Need for Three Billion Yen

Of the emergency appropriation of Yen 3,257,000,000 sought by it in the 1938-39 fiscal year, the Army intends to spend a "certain percentage" for the partial replacement and reorganization of Japanese troops in China to "meet the new phase of protracted hostilities."

This explanation was given by Gen. Gen. Sugiyama, War Minister, March 1 in the course of a detailed exposition of the uses to which the Army intended to put vast amounts asked by it. These, he said, included:

1. Maintenance of the Military forces in China for about 12 months beginning on April 1;
2. Replenishment of the war supplies used in the course of operations in China;
3. Preparation of those war materials which have hitherto been ignored, but which are urgently needed "as the result of the new situation;"
4. Replenishment of the military air force;
5. Enlarged accomodation of medical care for the sick and wounded soldiers returning from the front;
6. Special allowances to the families of men killed in action or those who have died of sickness;
7. Rehabilitation of the management of railways in Chinese territory, now under Japanese military occupation;
8. Enlargement of arsenals.

AMERICAN RED CROSS TO STOP RELIEF TO CHINA

Considerable mystery surrounds a report received in Shanghai this week that the American Red Cross drive for funds for civilian relief in China suddenly had been called off. The drive was initiated by President Roosevelt several days ago, who urged Americans to contribute at least a million dollars for relief of Chinese civilians driven from their homes by the war situation.

No statement has been issued by the American Advisory Committee in Shanghai which had charge of the allotment of Red Cross funds, but it was understood that only U. S. $40,000 had been received before the campaign was called off.

In some quarters it was suspected that Japanese intrigue was at the bottom of the complications because an American recently in Tokyo was told by several prominent Japanese officials that the Japanese resented Roosevelt's call for funds and charged that American relief funds were responsible for prolonging the war through indirectly strengthening Chinese resistence.

It was reported that steps may be taken to raise relief funds in the United States through other channels than the Red Cross' as demands for relief here are too urgent and widespread to be ignored by American agencies.

The total amount of funds sent here through the American Red Cross since the beginning of the crisis was slightly in excess of U. S. $200,000, of which about $50,000 was distributed by Ambassador Nelson T. Johnson and the remainder through the Advisory Committee here. Most of the money was expended for hospital and medical services.

New Ambassador States Britain's Far Eastern Policy Unchanged

With the arrival in Shanghai February 24 of Sir Archibald Clark Kerr, Great Britain is again represented in China by an Ambassador, which has not been the case since Sir Hughe Knatchbul-Hugessen was seriously injured when Japanese planes attacked the cars of the British Embassy party near Shanghai on August 26.

Following a stormy trip from Hongkong on the British sloop Falmouth, the new Ambassador was greeted by British officials and by newspapermen who were interested in possible changes in British policy and reports that Sir Archibald was bringing a peace proposal with him.

He asserted immediately upon his arrival that it will be his job to give continued protection to British interests in China, that he had brought no peace plan and that he had no instructions to take up the matter of the Customs administration in Shanghai. The basic British policy in China, he stated, would continue.

The *Asahi Shimbun*, commenting upon the arrival in China of the new Ambassador, welcomes the change, believing that it will "give the British Government an opportunity to re-examine its China policy." The paper sees another reason for welcoming his arrival in the assumption that his coming "must result in a more correct observation of the actual situation, unbiased by circumstances of the past," Furthermore, the paper believes it possible that "the British Far Eastern policy of over-estimating the importance of China might be rectified and, consequently, it might serve to dissolve misunderstanding between Britain and Japan."

Hwa Mei Wan Pao Bombed for Third Time

Ten persons, including a foreigner, were wounded while one bomb-tosser was shot dead when the *Hwa Mei Wan Pao*, American registered vernacular newspaper, 179 Avenue Edward VII, received its third terrorist grenade within a month about 6.45 p.m. Feb. 24.

A second potato-masher grenade was exploded in the Settlement at 7.20, 35 minutes after the Avenue Edward VII affair. This missile was brown at a Chinese residence, House 5, Lane 56, Kiaochow Road. No one was injured and no serious damage resulted.

The wounded foreigner is Mr. B. Neilson, manager of the Victor Bar and Cafe, located just across the street from the offices of the newspaper.

Shrapnel from the grenade, which was apparently of the potato-masher type and loaded with exceptionally high explosive, sprayed several restaurants and cabarets on the opposite side of the thoroughfare.

Japanese Forces Concentrate on Southern Shansi

The military might of Japan concentrated last week on the Shansi front, evidently in an attempt to spike the operations of China's Eighth Route Army, the former Communists, who have achieved fame for their expert use of guerilla tactics and who have put gray hairs into the heads of Japan's military leaders because of their attacks on communications lines which are essential to the Japanese forces because the Sino-Japanese hostilities have now reached far into China's interior. The Japanese are evidently attempting to push westward towards Sian, Shensi, in an attempt to cut China's last route to the U.S.S.R.

Early this week the Japanese forces had succeeded in drawing a circle around southern Shansi and were gradually pushing towards the Yellow River. In the north, Japanese troops from Taiyuan had pushed almost directly west, where the Japanese spokesman claimed that they had reached within thirty miles of the Yellow River to the cities of Chungyang and Lishih. Along the Fen River, which flows southward from Taiyuan, bisecting Shansi Province until it joins the Wei River, two Japanese columns were storming Lingshih, walled city which may prove to be the key to Linfen, Shansi's provincial capital.

Another Japanese column was advancing from Luan, southeastern Shansi, towards Linfen, and another column in Honan was moving northwest from Tsinyang, Honana, along the Chin River towards Yangchen, in Shansi.

Lingshih Well Defended

The battle for Lingshih is developing into by far the biggest operation in the North China campaign with the Chinese forces putting up tremendous resistance and counter-attacking, regardless of the cost, in an effort to save the Pass, *Reuters* reported from Peiping Feb. 27.

Lingshih, the key to a strategically important pass into southern Shansi, is the center of a Chinese front 20 miles wide and six to 12 miles deep. The number of Chinese forces defending the city is estimated at 100,000 including a large number of crack Central Government troops.

SOUTHERN SHANSI, WHERE JAPANESE FORCES LAUNCHED A WESTWARD PUSH

In the areas between the Yellow River on the west, the Peiping-Hankow Railway on the east and the Lunghai on the South, Japanese forces last week launched a push in an attempt to clear the area nor h of the Yellow River of China troops and to threaten Sian, provincial capital of Shensi and Fushih (Yunan), headquarters of the Eight Route Army.

Severe Fighting Around Linshih and Linfen

The Japanese have scored further successes in the south of Shansi province according to a Chinese communique received in Hankow Mar. 1 from the front which reported that Linfen, the new capital of Shansi, had been surrounded by Japanese troops and that heavy fighting was in progress near the city.

The Japanese claimed in a report from Taiyuan that their troops had captured Linfen after launching concentrated attacks from the northeast, north and northwest but no confirmation to this effect had been received from Chinese sources.

Chinese reports assert that the town of Linshih, situated halfway between Linfeng and Taiyuan was recaptured by Chinese troops Sunday evening, who also forced the Japanese troops advancing along the Tungpu railway towards Linfen to retreat a considerable distance and were successful in retaking numerous towns and villages which were held only by small detachments of Japanese troops.

High Chinese military circles in Hankow consider that the situation in Shansi is by no means hopeless. It is pointed out that not only is the 8th Route Army operating in the north of Shansi but Chinese troops in southwestern and southeastern Shansi are also continuing their resistance and that the Japanese, although advancing along the railway lines and main routes, are certainly not in control of the hinterland.

The Japanese advance along the Tauching railway line north of the Shansi-Honan frontier seems, according to reports from Chinese forces familiar with the mountain range crossing this railway line, to have been checked.

Chinese troops abandoned Linfen in order to avoid being trapped by Japanese movements which resulted in columns west and east of the railway converging toward the provisional capital, the *United Press* reported.

Although the Japanese are at Taiyuan, original capital, and Linfen, the rear was still unconnected Chinese claimed.

Chinese reports said that Japanese attacking forces had suffered 1000 casualties during the severe fighting in the past few days in the vicinity of Hanhouling, a few miles south of Lingshih.

Pingyao, 50 miles south of Taiyuan and along the railway, was said to have been the scene of some terrific fighting in which the Chinese troops refused to ask for quarter. Chinese reports said an entire Chinese battalion was annihilated before the Japanese captured the city. Prior to the Japanese occupation of Pingyao ten days ago over 2800 Chinese soldiers and civilians were killed, Chinese reported.

U.S. Marine Officer Reports on Conditions in Shansi

Returning to Hankow on Feb. 28 after 10 weeks of travelling in Eighth Route Army territory, Captain Evans F. Carlson, Language Officer of the Fourth U.S. Marines, reported that 42 districts in Hopei, north Shansi and south Chahar were still under regular Chinese Administration and military protection, according to a *United Press* report.

Crossing the Japanese-occupied Shihchiachuang-Taiyuan Railway, he traversed Chinese partisan areas and reached a point 150 miles southwest of Peiping.

"I walked 800 miles, rode 100 miles on horseback and travelled another 100 miles by truck," he said. "I felt fine throughout."

He found 42 districts still controlled by Chinese Administration. They were protected by Chinese military units composed of the Eighth Route Army, peoples' militia and armed peasants. All of the districts maintained radio communication with the Central Administration at the rear of the Wutaishan, or Sacred Mountain of Central Government.

On the basis of his observations, Captain Carlson believed that large parts of Hopei and the majority of Shansi were not under Japanese occupation. The practical effects of occupation were felt only along the railways and truck roads, he said.

Peasants were very active, he reported. The peasant militia was attempting to halt the transportation of supplies and was collecting in information for the Eighth Route Army. The peasants were very alert in their search for Japanese agents and they insisted on all travellers showing them their credentials.

Szechuan Trouble Liquidated

The political crisis precipitated by the refusal of Szechwan military leaders to accept General Chang Chun, formerly Minister of Foreign Affairs, as Governor of Szechwan in succession to the late General Liu Hsiang has been amicably settled, Reuter was authoritatively informed March 2.

General Teng Si-hou, whose name has been prominently mentioned in connection with recent efforts to solve the crisis, has been appointed Pacification Commissioner of Szechwan and concurrently Vice-Commander of the Central Government troops in Chungking.

General Teng, it is stated, will hold the post of Vice-Commander on equal terms with General Ho Kuo-kwan, who has been Vice-Commander of the garrison here for some time. Their immediate superior is General Ku Chu-tung.

T. V. Soong Heads China's Air Force

Madame Chiang Kai-shek has resigned as chairman of the China Aeronautcal Affairs Commission, in which capacity she directed the Chinese air force.

She has been succeed by her brother, Mr. T. V. Soong, formerly Minister of Finance, who arrived in Hankow a few days ago by air from Hongkong.

Mr. Soong assumed office March 2 when the Commission was reorganized. Among the changes made were the abolition of the post of Secretary-General and the appointment of Madame Chiang as a member of the Commission.

Japanese Report Violation of Manchukuo Border

More than 100 Soviet infantry and cavalry troops invaded "Manchukuo" territory near Mount Morumi in Chientao on February 25 and 26, according to a communique issued by the headquarters of the Korean Army in Seoul Feb. 28.

Most of the troops were later withdrawn, the communique added, but some Soviet soldiers still remained near Mount Norumi, while two Soviet airplanes crossed the border near Tunientze. The communique stated that Japanese-"Manchukuo" border patrols were maintaining a close vigil.

New Legal Tender for North China

Banknotes issued by the Federated Reserve Bank of China, expected to open for business some time in March will be North China's sole legal tender, *Domei* learned in Peiping Feb. 28.

Notes issued by the Central Bank of China, the Bank of China and the Bank of Communications will be gradually withdrawn from circulation. Failure of the officials to complete the necessary preparations was given as the reason for the postponement of the opening of the Federated Reserve Bank, originally scheduled for March 1.

America Calls off Swimming Meet with Japan

While the Japan Swimming Federation had been making preparations for dispatching a swimming team to the United States in the coming summer in acceptance of a request received from the United States last fall, the Federation on February 14 received a cable from the Los Angeles Chamber of Commerce canceling the projected America-Japan swimming meet, the *Asahi Shimbun* reported Feb. 16. The reason for the cancellation, the cable said, was that following the outbreak of the China Incident an anti-Japanese movement has become severe in the United States threatening to interfere with the holding of the projected meet.

Soviet Tries 21 for Treason and Espionage

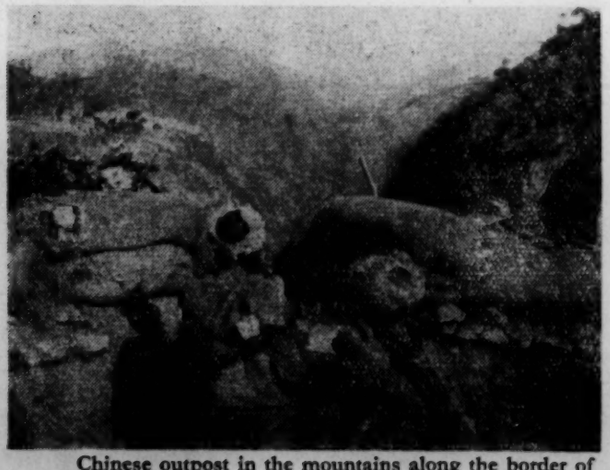
Amid considerable excitement, the trial opened in Moscow March 2 before the Military Collegium of the Supreme Court, of 17 prominent Soviet leaders and four leading doctors on charges of treason, murder, espionage and plotting with foreign Powers to overthrow the Soviet in exchange for territorial concessions.

The court room—the famous gilded ballroom of the Noblemen's Club of Czarist days—was packed to the doors, while just before the trial was due to start, a crowd surrounded the premises and shouted, "Death to the Fascist Spies."

The capital sentence is considered a certainty.

Heavy anti-aircraft machine-gun in use on the Lung-Hai front in vicinity of Hsuchow.

Chinese machine-gun position in the mountains of southern Shansi.



Chinese outpost in the mountains along the border of Shansi and Hopei.

Arctic weather on the Lung-Hai front—Chinese troops in northern Honan opposing Japanese advance.

SHANGHAI'S CONQUEROR RETURNS TO JAPAN—HATA ARRIVES

General Iwane Matsui (Upper Left) boarding a transport February 21 to return to Japan after having been relieved of his post as commander-in-chief of the Japanese forces in central China. He has been replaced by General Shunroku Hata (above). Before leaving the scene of his victories, General Matsui acknowledges (left) a toast to his health from his comrades in arms. From left to right are General Matsui (back to camera), General Hata, and General Heisuke Yanagawa, former commander of the Hangchow Bay Landing Party, who was also recalled.

Foreign Mail to Escape Japanese Censors in Shanghai

While it is probable that Japanese censorship of Chinese mail will be instituted within the next few days, it is likely that foreign mail will escape the attention of the censors, it was averred by a spokesman of the Japanese Embassy in an interview with *The Shanghai Times* on Feb. 28.

No definite date could be given for the beginning of mail censorship, but it was expected to start following the recentralization of the Shanghai Post Office, some of the departments of which were shifted to Yu Yuen Road at the outbreak of hostilities.

A report, issued by the *Ta Tung News Agency*, stated that Japanese censors had already visited the Post Office twice and had inspected some rooms on the third floor. An agreement had been reached whereby the Japanese would begin their censorship in Room 22 on the third floor of the Post Office Building, it was asserted.

Japanese May Take Over Chinese Mills

Chinese cotton mills in the western area—hit hard by the absence of demand for their products—may be taken over by Japanese interests, the *Shanghai Mainichi* reported last week.

Eighth Chinese plants are now in operation in the district,—including the No. 2 and No. 9 mills of the Shunhsin Cotton Spinning and Weaving Company; No. 3 will of the Yungan Cotton Spinning and Weaving Company, and No. 1 and No. 2 mills of the Hsinyu Company. Unable to transport the produced textiles to the hinterland or abroad, these concerns are faced with serious financial difficulties, which may compel the sale of the mills to Japanese interests, the daily said.

Japanese mills here, the *Mainichi* pointed out, are in a better position, since they are able to export their product to North China, India and the South Seas Islands. Hundreds of Chinese workers daily besiege the town offices of the Japanese cotton mills in search of employment, the daily reported.

Only One Vacant Chair at Gen. Hata's Reception—Said Domei

At the very end of about twenty or thirty pages of *Domei* reports of bombings of Chinese cities and the usual victories of the Japanese forces on all fronts, as recorded by the alert correspondents of the semi-official Japanese news service, there appeared a little scoial item referring to a reception given by Gen. Shunroku Hata, new commander-in-chief of the Japanese forces. The item was headed, "All Officers But One Attend Gen. Hata's Reception." The item stated that Gen. Hata had given a reception at the office of the Military Attache on Dixwell Road and apparently was quite an enjoyable affair, except, to quote from the report, "All foreign military commanding officers in Shanghai, with the sole exception of Major-Gen. A.P.D. Telfer-Smollett, attended."

Other items of interest recorded in *Domei* included the arrival here of Toshio Shiratori, former Minister at Stockholm, who will study the political situation. Masayuki Tani, former Minister at Vienna, has been instructed to take charge of diplomatic affairs in Central China. Hsu Shao-ching, former Mayor of Changchun, has been sent to Rome to promote the relations of Japan-Italy-Manchukuo. Hatsusaburo Hirao, recently appointed supreme economic adviser to the Garrison in North China has departed for his post, traveling by way of Dairen. Mr. Hirao is head of the Japan Iron Manufacturing Company. Shinrokuro Hidaka, First Secretary of the Japanese Embassy, has been appointed Consul-General here in succession to Suemasa Okamoto who is to be appointed Counsellor to the Embassy in London. Tateki Horiuchi, Consul-General at Tientsin has been appointed Counsellor of Embassy in Peiping, while Sentaro Yedo, Consul-General at Hamburg will succeed Mr. Horiuchi at Tientsin.

Help Needed for Eighth Route Army and Partisans of Northwest

Editor, China Weekly Review :—In one of the January issues of your paper, you quoted a *United Press* dispatch stating that I had collected $100,000 for relief in the Northwest. I wish to make a correction and an explanation, for which please give me space.

I have collected $30,900 only—not the sum stated in the dispatch you quote. Of this sum, $10,000 was given by Dr. H. H. Kung, $10,000 by the Chinese Red Cross, and $10,000 by the International Red Cross Committee of Hankow for civilian relief only. $900 has been donated by foreign and Chinese men and women of this city. Of the entire sum collected, all except about $300 had already been sent to the Northwest, some as cash, some for the wounded, and over $10,000 for making shoes. We are keeping about $300 on hand here in Hankow to continue the purchase of yarn to knit socks and gloves.

Permit me to inform you and your readers of the reason for these collections. As you know, I have been with the Eighth Route Army at the front. As such I have seen the mobilization, arming and training of the civilian population of the Northwest by the Eighth Route. Before the Eighth Route Army came to the Northwest, the people had no protection from the Japanese except the other Chinese armies—and when these armies retreated, the people were left to the mercy of the Japanese, without any means of defending themselves from men whose conduct would shame savages. The Japanese have captured Chinese young women for the use of their troops, have slaughtered the young men of whole villages to "teach the population a lesson," and at times have wiped out entire town and villages whose men protested.

So the Eighth Route armed and trained the civilian young men to defend their families, their homes and their country. The Eighth Route received financial support from the Central Government, but the armed civilians—that is, the partisans, or guerillas—do not. The Eighth Route has shared all it has with them and the partisan wounded, and with the families of the partisans who suffer greatly from Japanese bombings and other depredations such as the ruthless raiding of villages to get women and food.

I was with the Eighth Route in parts of Shansi which we had just entered for the first time—and in which the people had not yet been mobilized, trained and armed. In such regions, Japanese columns at first met little resistance from the people. One night I stood on a hill top and watched two Japanese columns moving across country. I could not see the Japanese, but I saw their traces written in fire. For they were burning all the towns and villages on their way. We could see burning towns and villages for miles, some blazing at our feet, others dull glows in distant valleys. I met and talked with fleeing refugees from these regions. Then in those regions I saw something maganificent beyond the power of words to express: wherever the Eighth Route Army met the Japanese in battle, the men of the countryside remained right at the front, helping them eagerly and in a thousand ways. They acted as stretcher bearers, they transported the women and children to the rear, and they carried away all the crops they could. They acted as guides for the Eighth Route, and they acted as Eighth Route intelligence workers. I saw these men pouring into the ranks of the Eighth Route as new volunteers, while they eagerly enrolled in the partisan units in every village or town. Wherever the Eighth Route went, the people remained to help it, or if they had fled, they returned to help. It can be said that practically the whole population arose wherever the Eighth Route stepped foot, so that the Eighth Route had two expressions heard on the lips of every man in its ranks: "We are the fish, and the people are the water through which we move" and, "Wherever a Chinese stands, that is our front and our rear, that is our base; wherever there is Chinese territory, that is our base."

Of course, this is encouraging, this is inspiring. But there are many unsolved problems. The Northwest is a poor country, a country of terrible cold in the wintertime. The partisans do not have enough arms and ammunition. They were given some by the Shansi Government, but these were few. The Eighth Route and they together have captured some, but not enough by far. They have made weapons to fight with, but these are not the proper weapons. It can be said with truth that at times the partisans fight with their bare hands, and with stones and clubs, against an enemy armed to the teeth. Nor is this all: since the partisans are not a regular army, but merely civilians, they get no assistance. Yet these civilians are fighting the Japanese and their families remain with them, helping them in all ways. There have been battles in the Northwest in which ever man, woman and child in a town or village, have fought the Japanese. While I was at General Headquarters a month ago, we received a radio from one of the Eighth Route units fighting sound Tatung. On the night of December 1st, one company of Eighth Route Army men, with the entire population of a small town, evacuated the town, taking all food and all possessions with them, and waylaid the Japanese in the hills. They fought all night long and lost about a hundred of their number. Of these, many were men whose hands had frozen in the bitter cold. Such reports as this were quite ordinary—the fight was not merely against the invading Japanese, but the fighters have the terrible cold to cope with. They have no gloves, often no socks, and their shoes are often rags worn down to the frozen earth. Yet they fight on—fighting for their families, their homes, and their country.

If I wished, I could become very cynical about well-to-do men who accept big rewards when they fight for their country, or when they are wounded. In the Northwest, neither the Eighth Route nor the partisans have any conception of such a thing. To them, this is a holy war. They know they may be wounded or they may be killed. They accept this. Theirs is pure patriotism.

But can we who are human beings look on such a thing as this without reaching out a hand in brotherhood? I for one cannot, and I have met in Hankow many foreigners who cannot. And there are some wealthy Chinese who reach out a hand also. We reach out a hand of solidarity and brotherhood to men who are the hope of Chinese. We are collecting money to make shoes, gloves and socks. At least we can do this.

Along the Chentai Railway I once met a small group of 200 miners from the mines at Yangchuen. As the Japanese had approached, they had broken open a small guns depot and armed themselves. They had blown up the railway in many places and they had fought the advancing Japanese. Their mothers, wives, and children were with them and were helping them as they could, repairing clothing, washing, making socks. These men had arms and ammunition, but practically nothing else. They had no money at all to buy food with as they moved from place to place against the Japanese. The type of men these were can be seen by the example of one. This man, one of their leaders, had formerly been a miner in the mines around Tatung. He had worked for ten or fifteen cents a day, 15 hours a day, and lived in a room filled with 30 other miners. I had been a dog's life. He had been one of

AGAINST JAPAN IN SHANSI

Column of the 8th Route Army (former Reds) on the march in northern Shansi.

the men who tried to organize a trade union in the Tatung mines to struggle for better conditions of existence. He had been arrested—that was two years before the Japanese struck at Lukuochiao. This man had been tortured by the police and when finally

Some 8th Route Army sharp-shooters on the Shansi front.

sentenced to 12 years imprisonment, he was half dead from torture. Half of his two years imprisonment had been spent in solitary confinement. Then, under the national united front agreement, he had been released from prison in October. At that time Tatung was in the hands of the Japanese, and he could not return to his miner comrades there. So he went down the Chentai railway to Yangchuen and aroused the miners in that mining center. Under his leadership, the miners broke into an arms depot as the Japanese approached, armed themselves and fought the advancing enemy. They blew up the Chentai railway, and continued to harrass the Japanese even after the regular Chinese armies had lost Niangtzekwan and had retreated. They had heard that the 8th Route Army was fighting the Japanese south of the railway and they moved southward to join us. They fought side by side with the 8th Route in the battle of Kwangyangchen on November 4th. After that battle I met them. They were strong, tough men with big strong hands, some of them with scars of old wounds from the mines, and some of their faces and hands were like miners everywhere—beneath the skin the coal black had penetrated or had entered by explosions. Some were deaf from mine explosions. They were a grim, determined lot of men, miserably clad and without food or money for food—but filled with relentless hatred of the Japanese.

I came to Hankow to help such men as this, and I appeal to all men and women, Chinese or foreign, who can help us with funds, to send funds. It is difficult to transport goods, but with money we can furnish these Northwestern Partisans with funds for food, and with money with which they can buy cloth for shoes and stockings. We badly need yarn wool, very thick and strong, for the knitting of gloves, also but at present we have no means of transport ourselves. People coming to Hankow should bring thick wool yarn or, if they can, such things as warm wool gloves and socks, hospital garments, medical supplies, warm woolen blankets—and cash.

We give receipts for all such things, and we later send receipts from the front.

AGNES SMEDLEY

National City Bank, Hankow. or,
The Bishop's House, Tungting Road 43, Hankow.

China's Advantages Outlined by Chiang

The mobilization of a country as large as China cannot be made rapidly, but China has three advantages that are generally underestimated by the world, declared General Chiang Kai-shek in an interview with Mr. Vernon Bartlett, published Feb. 28 by the News Chronicle.

"First, our currency coverage is still exceptionally high, whereas that of Japan is low," General Chiang asserted. "Second, the Chinese people have realized that since the establishment of the National Government, sincere and sustained efforts have been made to improve the living standard, while the Japanese have not been encouraged by a similar conviction. And third, we have unlimited manpower to defend our soil.

"I cannot conceive of a British recognition of 'Manchukuo,' whatever happens elsewhere," he continued. "I admit that I am disappointed, although not surprised at the German decision to accord recognition, but the Chinese would consider a similar British move as a betrayal, destroying Sino-British cordiality."

Plant Reelected President of American Chamber of Commerce

The first meeting of the newly-elected Board of Directors of the American Chamber of Commerce was held in the chamber's new quarters at the American Club, February 25, at which time officers for 1938 were elected as follows:

President: Mr. W. H. Plant.
Vice-President: Mr. A. E. Schumacher
Hon. Treasurer: Mr. Bruce Smith.
Secretary: Mr. James M. Howes.

Besides the usual matters arising out of the continuation of restrictions and hindrances to business in Shanghai area, the matter of mails, deviated and sequestered cargoes, etc., the directors also considered ways and means of more effective approach to sources of influence in America.

Along this line they have suggested to the National Chamber headquarters at Washington, D. C. the appointment of someone familiar with American foreign trade problems as a representative of Commerce on the Board of Directors of the Chamber of Commerce of the U.S.A. They have suggested the following list of prominent Americans, all of whom are well known in Shanghai, from which to choose such representative.

Mr. Bois C. Hart, National City Bank of New York, New York
Mr. J. E. Swan, J. E. Swan & Co., New York.
Mr. H. J. Sweezy, E. I. du Pont de Nemours & Company, Wilmington, Delaware.

The immediate work confronting the officers of the chamber is the selection of the personnel of the sub-committees. This is considered important, for most of the work of a Chamber of Commerce is done through its committees. Committee appointments will be announced in the near future.

Four Year Plan for North China

The general outlines of the structure for the economic development of North China on the basis of Sino-Japanese cooperation have been decided upon, according to the *Asahi Shimbun* for Feb. 18, which asserts that it was considered best to formulate the development from the standpoint of the Manchukuo-Japan-China economic bloc and to keep pace with the five-year plan of industrial development already launched in Japan and Manchukuo.

As the Japan-Manchukuo five-year plan, however, is now in its second year, it has been decided by the authorities in Peiping in close consultation with the Japanese Cabinet Planning Board that a four-year plan of industrial development be drafted in order at once to keep pace with the Japan-Manchukuo plan and achieve the East Asia economic bloc. A North China traffic commission has been established to undertake the necessary inquiries and to draft the four-year plan.

Surveying of the natural resources of North China and the formulation of a plan for their development had been matters already decided upon by the Army and the South Manchuria Railway Company prior to the outbreak of the China Incident but now it has been decided by the supreme authorities that a well-knit and sound North China industrial development plan be laid on the basis of cooperation with the Chinese in accordance with the new situation brought about by the hostilities and the results of the actual survey of the natural resources of the region.

In the Mongolian region a Mongolian commission has already been established independently of the Peking regime and is already undertaking the formulation of its four-year plan.

Gen. Chu Teh addressing members of the 8th Route Army on the Shansi front.

National Mobilization Bill Causes Uproar in Japanese Parliament

THE National Mobilization Bill, which gives the Japanese Government practically unlimited control of the nation's man-power and material resources in time of war, and which was introduced into the House of Representatives of the Japanese Diet on February 19, caused an immediate furor in Parliamentary circles.

Intended to be used in time of war and during "incidents similar to war," the bill was attacked by leading members of the majority Minseito Party and of the Seiyukai Party.

Heated debates arose in the House on Feb. 24 when members attacked the constitutionality of the Bill. Takao Saito, veteran member of the Minseito, stated that while he appreciated the motives of the Government in submitting the bill and although he expressed his readiness to cooperate with the Government in securing an adequate national defense, he deprecated any arbitrary measure patterned after a foreign dictatorship.

Dr. Ryozo Makino, leading member of the Seiyukai, launched another attack on the Government for its demand that it be given a blank check regarding the conduct of all affairs pertaining to national defense. He contended that the bill infringed upon the Emperor's prerogatives stipulated in Article 31 of the Constitution which states that the constitutional provisions of the people's rights and obligations shall not interfere with the exercise of the Emperor's supreme power during a war or an emergency. Representatives of the Government denied this charge.

The Bill had caused considerable discussion within the Cabinet itself, but was finally passed and sent to Parliament with the deletion of four articles, three of which dealt with control over the press, and the fourth providing restrictions on public meetings and mass movements by Imperial Ordinance. However, it was pointed out that the Home Minister already exercises considerable control over the press.

The Government announced that the bill will not be invoked during the present Sino-Japanese crisis, but repeated efforts on the part of Parliamentarians to learn the date on which the bill will be applied have proved fruitless. The major attacks upon the bill dealt with its constitutionality, but the chief fear of the Parliamentarians seems to be that the bill would institute a fascist system into Japan.

Major Provisions of the Bill

The major provisions of the bill, as outlined by the Osaka *Mainichi*, are as follows:

Article 1. The national mobilization herein described applies to wartime (or an emergency situation comparable to war) in order to control and manipulate man-power and material assets most effectively so as to achieve the ultimate goal of national defense.

Article 2. The general mobilization of commodities herein mentioned refers to the following articles: (n.m. stands for national mobilization)

(1) Armaments, warcraft, amunition, and other munitions. (2) Such clothes, foodstuffs, beverages, and feed as are necessary for n.m. (3) Such drugs and medicines, surgical instruments, materials for sanitation and veterinaries as are necessary for n.m. (4) Such aircraft vessels, vehicles, horses, means of transportation as are necessary for n.m. (5) Such facilities of communications are as necessary for n.m. (6) Such materials for civil engineering projects and lighting facilities as are necessary for n.m. (7) Such fuel and power as are necessary for n.m. (8) In addition to the foregoing, such materials, tools, machines, or equipment commodities as are needed for production, repairs, distribution, or preservation. (9) Such commodities as are specified by an Imperial ordinance other than those mentioned above.

Article 3. The lines of business connected with the n.m. herein mentioned, refers to the following:

(1) Such business as is connected with exporting, importing, or preserving goods directly bearing on production, repair, and/or distribution of n.m. commodities. (2) The business connected with transportation or communications as is necessary for n.m. (3) Such financial business as is necessary for n.m. (4) Such business as sanitation, veterinaries, or relief as is necessary for n.m. (5) Such business of education and training as is necessary for n.m. (6) Such business of experiments or research as is necessary for n.m. (7) Such business of information service, campaign of education, and propaganda as is necessary for n.m. (8) Such business of vigilance or public safety as is necessary for n.m. (9) In addition to those mentioned above, such business as is specified by an Imperial ordinance which is deemed necessary for n.m.

Article 4. The government may, whenever it sees the necessity in wartime, requisition any Imperial subjects for n.m. services, in accordance with terms of an Imperial ordinance, provided such requisitioning shall not hinder military service.

Article 5. The government may, whenever it sees the necessity for wartime n.m., order any Imperial subjects, juridical persons, or organizations formed by Imperial subjects to cooperate with district autonomous organizations in the execution of the n.m. work, in accordance with the terms of an Imperial ordinance.

Article 6. The government may, whenever it sees necessity in wartime n.m., issue adequate orders regarding the employment, discharge, compensation or labor conditions of operatives or employees, in accordance with the terms of an Imperial ordinance.

Article 7. The government may, whenever it sees necessity for wartime n.m., issue necessary orders regarding the prevention or settlement of labor disputes, closing of plants, suspension or restriction of operations, in accordance with the terms of an Imperial ordinance.

Article 8. The government may, whenever it sees necessity for wartime n.m., issue necessary orders regarding the production, repairs, distribution, transfer, disposition, use, waste, retention, or removal of n.m. commodities in accordance with the terms of an Imperial ordinance.

Article 9. The government may, whenever it sees its necessity for wartime n.m. order restriction or place an embargo on exports or imports, cause goods to be exported or imported, impose a tax on experts or imports, or increase, decrease, or exempt import or export taxes, in accordance with the terms of an Imperial ordinance.

Article 10. The government may, whenever it sees necessity for wartime n.m., use or commandeer n.m. commodities in accordance with the terms of an Imperial ordinance.

Article 11. The government may, whenever it sees necessity for wartime n.m., issue necessary orders regarding creation of a corporation or corporations, increase of capital, amalgamation, change of lines of business, issuing debentures, restriction or prohibition of more than two payments to the capital subscribed, disposition of profits or redemption of liabilities, or issue necessary order to financiers regarding the disposition of funds, in accordance with the terms of Imperial ordinance.

Article 12. The government may, whenever it sees the necessity for wartime national mobilization, issue debentures to defray operating costs of concerns engaged in business directly connected with n.m. or cause capital to be increased in accordance with the terms of an Imperial ordinance, without regard to the stipulations of Article 200 or Article 210 of the commercial code.

Article 13. The government may, whenever it sees the necessity for wartime n.m., control, manage, operate, or requisition wholly or in part any plants or shops connected with n.m. business in accordance with the terms of an Imperial ordinance.

Article 14. The government may, whenever necessary for wartime n.m., exercise or requisition mining rights (including prospecting) and rights to conservancy in accordance with the terms of an Imperial ordinance.

Article 16. The government may, whenever necessary for wartime n.m., issue necessary orders to create, enlarge, or improve or restrict facilities of any enterprise, or order new facilities or their improvement of any enterprises connected with n.m. in accordance with the terms of an Imperial ordinance.

Article 17. The government may, whenever necessary for wartime n.m., compel in accordance with the terms of an Imperial ordinance various enterprises of same or different categories to apply for government permission regarding the establishment, alteration or abolition of control agreements. It may order establishment, alteration, or abolition of such agreements. It also may order such enterprises to abide by the agreements whether they are parties to the agreements or not.

Article 18. The government may, whenever necessary for wartime n.m., order, in accordance with the terms of an Imperial ordinance, operators of enterprises of same or different categories to organize themselves into an association with a view to effecting control. Such an association shall be a juridical person.

Article 19. The government may, if necessary for n.m., issue orders regarding prices, freightage and fares, storage, insurance fees, rentals, and processing charges in accordance with the provisions of an Imperial ordinance.

Article 21. The government may, if necessary for wartime n.m., restrict or ban publications of certain items in the newspapers or others in accordance with provisions of an Imperial ordinance. It may sezie or prohibit the sales or distribution of the newspapers or other publications in case they commit a breach against the government restriction or ban. If necessary, it may confiscate the prototype of such newspapers or publications.

Article 23. The government may, if necessary for n.m., order the Japanese subjects or employers of the Japanese subjects to report on the vocational capacity of the Japanese subjects. It may examine the vocational capacity of the Japanese subjects.

Article 24. The government may, if necessary for n.m., issue orders regarding the training of technicians necessary for such mobilization to the schools, training institutes, factories, workshops, and other establishments for training of technicians or employers of those selected to training.

Article 25. The government may, if necessary for the n.m., order the producers, sellers, or importers of materials necessary for such mobilization to retain a fixed quantity of such materials in accordance with provisions of an Imperial ordinance.

Article 26. The government may, if necessary for n.m., order the undertakers of the n.m., enterprises or those to be engaged in the n.m., business to map out a mobilization program or practise in works necessary for execution of such a program in accordance with provisions of an Imperial ordinance.

Article 27. The government may, if necessary for national mobilization, order the producers or repairers of the materials necessary for such mobilization or the keepers of experiment and research institutions to carry out necessary experiments or researches.

Article 28. The government may, if necessary for n.m., guarantee certain profit or subsidize producers or repairers of materials necessary for such mobilization within the limits of the government budget and in accordance with the provisions of an Imperial ordinance.

Article 29. The government may, in accordance with provisions of an Imperial ordinance, compensate for the loss that may be caused by the execution of the provisions of Articles 8, 9, 10, 11, 13, 14, and 16 of this law.

Article 30. The government may compensate for the loss or grant a subsidy in accordance with the provisions of an Imperial ordinance, in case it issues orders according to Articles 24, 25, and 27 of this law.

Article 32. The government may supervise, issue necessary orders to, or dispose of the enterprises guaranteed or subsidized in accordance with the provisions of Articles 28 and 30 of this law.

Other articles deal with the punishments to be meted out to those who violate the provisions of the law, with the exception of these last provisionsк

Article 53. The punishments stipulated herein shall be applied to offenses committeed by Japanese to offenses committeed by Japanese subjects in territories where the present law is not in effect.

Addition. The date on which the present law comes into force shall be determined by an Imperial ordinance. The munitions industry mobilization law and Law No. 88 of 1937 shall be abolished. The order issued under the munitions industry mobilization law previous to the enforcement of the present law shall be regarded as issued under the present law.

National Mobilization Bill Is Explained by Hirota

"The paramount characteristic of modern warfare being a conflict between the internal strength and resources of two nations, the secret of winning a war lies in the skillful operations of military and naval forces under a system of complete national mobilization," Mr. Koki Hirota, Foreign Minister, declared Feb. 24.

His statement was made during the course of his explanation of the reasons for the presentation of the National Mobilization Bill to the Diet a plenary session of the House of Representatives.

"The purpose of a national mobilization," Mr. Hirota said, "is the utilization of the entire resources of the state in both spiritual and material fields.

"The reason for presenting the bill to the Diet, therefore" Mr. Hirota concluded, "is the necessity for giving a legal basis to the national mobilization system, in view of the current situation."

Leftists to Back Mobilization Bill

The proletarian Social Masses Party announced its conditional support of the National Mobilization Bill on Feb. 23. The conditions were given as:

1. Immediate wholesale reforms in administration and policies; 2. Establishment of various commissions to enlist the co-operation of all layers of society with the Government's work. 3. Assurance of livelihood to all people.

Mobilization Bill Goes to Diet Committee

Following two bays of spirited debate in the House of Representatives, the National General Mobilization Bill was referred to a special committee on Feb. 25.

Inflammatory posters, threatening Diet members who oppose the National Mobilization Bill have recently been plastered on the streets of Tokyo.

In this connection, four Diet members called on Admiral Suetsugu, Home Minister, and requested that the Government maintain more rigid control of peace and order in Tokyo. Admiral Suetsugu assured his callers that he would do his best to carry out their request.

Hsinking Passes National Mobilization Bill

Anticipating the passage of similar legislation in Japan, the Manchukuo Government Feb. 26 promulgated a National Mobilization Act, designed to mobilize the country's manpower and material resources for national defense in time of war or emergency.

The date of enforcement will be announced in a separate ordinance. Emperor Kangteh granted his approval of the measure earlier this week.

Army Determined to Secure Passage of Bill

Concerned over the fate of the national general mobilization bill in the Diet on account of the proceedings of the House of Representatives Feb. 24, War Minister Gen Sugiyama summoned Vice-Minister Lieutenant-General Yoshijiro Umezu and other leading officials of the War Office to his official residence after the House had adjourned and discussed counter-measures, the *Asahi Shimbun* reported.

The view of the Army on the matter is said to be as follows:

1. The mobilization bill is absolutely necessary for assuring perfection of national defense but, since its effect on the life of the people would be extremely great, the Government should explain its purport as thoroughly as possible until the people can be convinced of its urgent necessity. The Government should endeavor to be prepared for this both in the plenary session and the committee sitting of the Lower House.

2. The Army will leave to the Government the exposition of the relation of the bill to the Constitution but will undertake to explain the absolute indispensability of the legislation.

3. It is hoped that Premier Konoe will appear in the Diet as soon as possible to explain its purport in view of the importance of the legislation.

4. If the parties should lack seriousness in the deliberation of the bill or oppose it for the mere sake of opposition even in the face of such an attitude on the part of the Government, the Government should face the Diet with a serious determination in order to secure the passage of the bill.

The Army is expected to spur the Government to fresh efforts along the above lines, while War Minister Sugiyama will take every available occasion to explain the bill from the strategic angle.

Japanese Soldier Injures German Physician in Hungjao Area

Dr. Edward Birt, German, director of the Paulun Hospital and internationally known surgeon, was in serious danger of losing the sight of his right eye this week as the result of an exunpected encounter with a Japanese soldier in the Hungjao district last Sunday morning.

The soldier, said to have been drunk, struck Dr. Birt with the handle of a knife, causing a severe wound above the right eye. The doctor was reported to be badly shaken as a result of his experience. His condition also was weak from considerable loss of blood.

The incident happened shortly after 11 a.m. Dr. Birt, accompanied by Mr. Hans Tiefenbacher, prominent local German businessman, was horseback riding in the western district.

According to reliable information the pair had ridden to a point near Hungjao Village and planned to enter this spot. They dismounted and were crossing a bridge leading into the village when the Japanese soldier, they stated later, apparently not on duty, demanded that they halt.

Both men claim that they halted immediately and gave the soldier no argument, but that the latter, apparently drunk and infuriated for no reason that the two Germans were able to explain, attacked Dr. Birt.

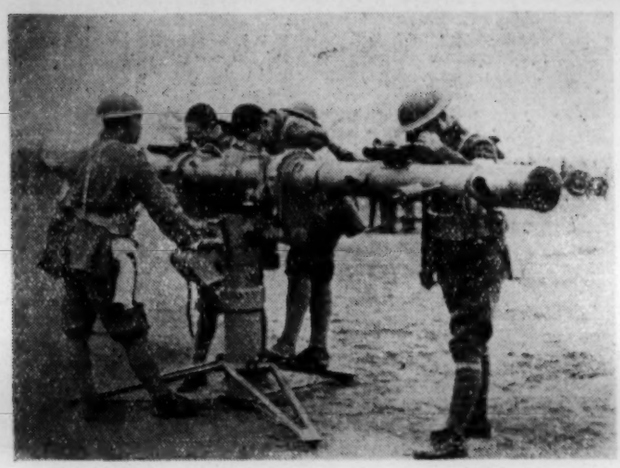
Without any provocation whatever from the Germans, the Japanese dealt Dr. Birt a vicious blow in the face with his clenched fist, in which he was holding a drawn dagger, shouting at the same time "English pig." The soldier then attempted to push Mr. Tienfebacher's pony into the creek, but did not succeed in doing so.

With the assistance of the Chinese police, the two Germans were eventually able to ride away without suffering any further harm.

The German Consul-General lodged a strong written protest over the affair which was delivered by Consul Dr. Traut on Feb. 28 to the Japanese Consulate-General. The protest demanded an investigation of the case and adequate punishment of the culprit and also reserved on behalf of the victim the right to claim indemnification.

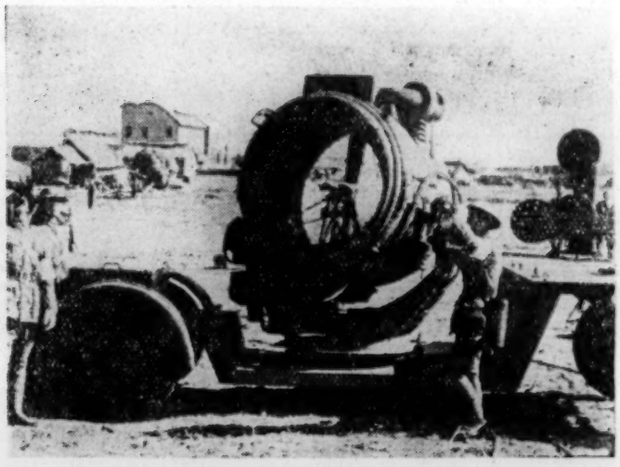
Before the protest was lodged the Japanese Consul-General, Mr. Okamoto, accompanied by Major P. Hongo, called on the German Consul-General, Mr. Fischer, and expressed their deep regrets on behalf of the Japanese Government and the high command of the Japanese military forces. They assured Mr. Fischre that steps had been taken to investigate the case and that the culprit would be properly punished and also that Dr. Birt would be indemnified for his injuries.

LATEST GERMAN EQUIPMENT PROTECTS HANKOW FROM JAPANESE BOMBERS



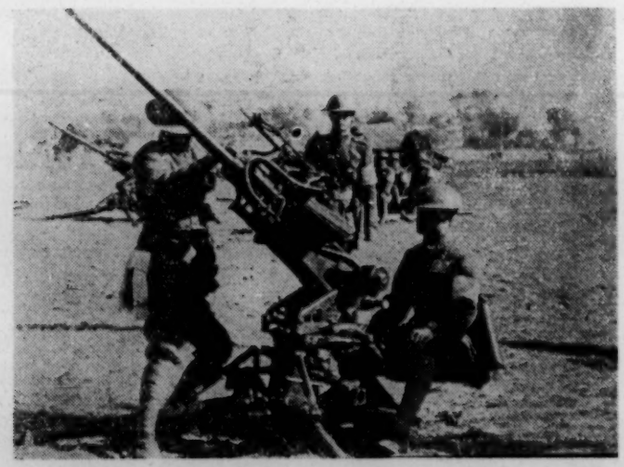
This instrument, product of Zeiss, not only brings the plane into clear vision but indicates distance, speed and direction.

Mechanical "ears" which are able to pick up the drone of an enemy bomber long before it can be heard by human ears.



Powerful electric searchlights which "pick up" enemy planes at night. Note they are mounted on trucks.

Smaller portable type of range-finder which enables one to determine speed, direction and distance of enemy planes.



New anti-aircraft guns, now in use at Hankow. They are usually arranged in batteries of four each.

Modern anti-aircraft guns, similar to gun pictured on the left, but camoulaged to avoid detection from the air.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th issue of The Review.

Feb. 1.—Mingkwang, important railway station on southern section Tientsin-Pukow Railway, occupied by Japanese; evacuation of Chinese troops confirmed in Hankow; severe fighting, heavy losses on both sides.
Shantung troops formerly under Gen. Han Fu-chu reorganized into two army corps commanded respectively by Gen. Sun Tung-hsuan and Gen. Tsao Fu-lin.

Feb. 1.—Large Japanese air squadron bombed Canton-Kowloon and Canton-Hankow Railways; Whampoa also raided.

Feb. 1.—Madame Chiang Kai-shek appealed to Chinese people to continue resistance.

Feb. 1.—China's latest appeal to League of Nations considered at private meeting of League Council. Proposed resolution encouraging League members to aid China individually postponed.

Feb. 1.—Eugene Chen, former Chinese Foreign Minister (now in Paris), in open letter to President Roosevelt, urged the Western powers to take joint action to end Far East War.

Feb. 1.—State Department announced (Jan. 31) it had accepted Japan's expression of regret for the assault on John B. Allison, 2nd Secretary of U.S. Embassay in China, who was slapped by a Japanese sentry in Nanking.

Feb. 1.—Dr. F. C. Yen appointed Director of National Health Administration.

Feb. 1.—Japanese army authorities at Shanghai reported that seven Chinese charged with 'anti-Japanese" activities were executed in Hongkew on Jan. 28.

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Feb. 2.—Japanese claimed capture of three important cities in northern Anhwei, Fengyang, Tingyuan and Pengpu.
Tingsiang, 70 miles north-east of Taiyuan in Shansi, recaptured by Chinese guerillas.

Feb. 2.—Resolution approving assistance by members of the League of Nations to China adopted by Council, Poland and Peru abstained from voting. Dr. Wellington Koo, China's chief delegate, denounced Japanese aggression in a stirring speech before the adoption of the resolution.

Feb. 2.—Shanghai residence of Gen. Wu Te-chen, former Mayor of Shanghai and now Chairman of Kwangtung, was sealed by Japanese.

Feb. 2.—Gen. Iwane Matsui, Japanese Army Commander in Shanghai, in interview with H.G.W. Woodhead, expressed view that M.P.'s in England were mistaking Shanghai for Hongkong and that Britain's failure to realize the "inevitability of Japanese expansion might lead to conflict between Japan and Great Britain."

Feb. 2.—British regiment, Royal Welch Fusiliers, totalling about 1,000 men, departed from Shanghai for Hongkong after more than five months' service in Shanghai.

Feb. 2.—Chou En-lai, Communist spokesman at Hankow, declared Communist Party had closely collaborated with the Kuomintang since the beginning of the war. He said that the Communist Party would not be dissolved and that after the war it would be willing to play the political part, "to which it would be entitled in a democratic regime."

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Feb. 3.—All nationals belonging to neutral foreign Powers warned to evacuate vast area north of Yangtsze by the so-called "Provisional Government" at Peiping. Identic notes containing request received by various foreign Embassies at Hankow.

Feb. 3.—Japanese troops killed in China to date total approximately 20,000, War Minister Gen. Gen. Sugiyama announced, according to **Reuter** report.

Feb. 3.—Heavy losses by both Chinese and Japanese troops on Tientsin-Pukow Railway front as result of serious fighting during past week. Chinese casualties estimated at 5,000, while Japanese casualties twice that figure, according to German **Transocean** report at Hankow.
Contrary to Japanese claims, both Linghuaikwan and Tingyuan still remain in Chinese hands.

Feb. 3.—Chefoo occupied by Japanese troops from Tsingtao; occupation peaceful as Chinese garrison had been withdrawn some weeks ago.

Feb. 3.—Martial law suddenly declared in Canton due to rumors of uprising and extension of Japanese hostilities to South China. All foreign vessels ordered to leave Canton harbor before nightfall. Intense excitement in the city.

Feb. 3.—Japanese spokesman admitted Japanese authorities had sealed Gen. Wu Te-chen's Shanghai residence but said question of confiscation had not been decided. Added that property of Chinese "engaging in anti-Japanese activities" would be seized regardless whether or not located in Settlements.

Feb. 3.—Japan determined to get war reparations from China, "even if the Chiang Kai-shek regime fails to pay them," Foreign Minister Koki Hirota told Lower House yesterday, according to **Domei** report from Tokyo.

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Feb. 4.—Fall of Pengpu, Fengyang and Tingyuan, in southern Anhwei, confirmed by Hankow. Main body of Chinese troops take new positions at Kuchen, 26 miles north of Pengpu. Chinese and Japanese forces now face each other across Hwai river, railway bridge dynamited by Chinese prior to withdrawal.
Chinese aircraft for first time bombed Japanese positions on southern section of Tientsin-Pukow Railway.

Feb. 4.—Removal of "scrap iron" by Japanese troops from occupied properties in Shanghai admitted by Japanese military and naval spokesmen, who explained that the purpose was "to tidy up scenes of hostilities in vicinity of Shanghai."

Feb. 4.—Gen. Wu Te-chen, Kwangtung Chairman, denied reports of internal dissension. Severe Japanese air attack caused some 50 casualties. Rumors of an uprising in Canton caused serious excitement; Japanese warships bombarded Bocca Tigris Forts. All foreign vessels on Pearl River bottled up as boom near the mouth of the river closed by authorities.
According to reports from Hongkong, wholesale arrests were made in Canton, among them were minor military officers and persons believed to be Japanese spies. Alleged anti-Government coup organized by followers of Gen. Chen Chi-tang, ex-Kwangtung military commander and that today's Japanese air raid was timed to concide with uprising which failed to materialize.

Feb. 4.—Hsu Shih-ying, returned Chinese Ambassador to Japan, arrived at Hankow and reported to Gen. Chiang Kai-shek.

Feb. 4.—Between Jan. 15 and Jan. 31, twenty ships carrying war supplies to China arrived at Hongkong, of which 10 were German, 8 British, 1 American and 1 Norwegian, according to Hongkong correspondent of **Tokyo Asahi.**

Feb. 4.—Building in which were housed the **Shanghai Evening Post & Mercury**, the **United Press**, and the **Oriental Affairs** bombed. Some damage was done to the office of **United Press**, but no one was hurt.

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Feb. 5.—Situation in Canton eased but martial law still enforced.
Gen. Yu Han-mou, Commander-in-Chief of Kwangtung Forces and Gen. Wu Te-chen, Kwangtung Chairman, denied as absolutely groundless rumors that relations between Gen. Chiang Kai-shek and Kwangtung had been severed. The entire province, they affirmed, remained loyal to the Central Government and would continue to support Gen. Chiang.

Feb. 5.—Dr. H. H. Kung, Executive Yuan President, arrived at Hongkong; purpose of visit unknown but rumored object was to confer with T. V. Soong.

Feb. 5.—State Department announced (Feb. 4) decision to withdraw 15th Infantry stationed in Tientsin, and transfer to Tientsin from Peiping of two companies of Marines, according to **Reuter** report from Washington.

Feb. 5.—C. E. Gauss, U.S. Consul-General at Shanghai, protested to Japanese Consulate-General over treatment accorded V. F. Meisling, of the **North China Daily News** staff, by Japanese soldiers in Hongkew when Meisling was taking pictures of piles of scrap iron being shipped to Japan.

Feb. 5.—Fierce fighting on Hwai River, north of Pengpu, continued as Japanese tried to demolish Chinese defence works on the north bank with heavy artillery. Chinese troops guarding sector belong to the command of Gen. Yu Hsueh-chung, former Manchurian Commander, now Commander-in-Chief of 3rd Route Army.

Feb. 5.—Japanese warships shelled Tongkwan, south-west of Macao, and landed a party of troops on nearby Chikiau Island. Japanese airplanes carried out extensive raid in Kwangtung, bombing highway and railway bridges. Bocca Tigris Forts bombarded

both from air and from Japanese warships.

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Feb. 6.—Hostilities on Tientsin-Pukow Railway sector still centered on Huai River, across which a heavy artillery duel was in progress. Troops under Gen. Yu Hsueh-chung offering stubborn resistance to Japanese northward advance from Pengpu.
Situation on northern sector of Tsin-Pu Railway unchanged.

Feb. 6.—Political crisis continued in Szechuan due to appointment of Gen. Chang Chun as Chairman succeeding late Gen. Liu Hsiang. Rumors of uneasiness among Szechuan provincial troops. Negotiations for amicable settlement carried on at Chengtu between representatives of Central Government and Szechuan military leaders.

Feb. 6.—Gen. Count Terauchi, Commander-in-Chief of Japanese Forces in North China, made his first official call on members of the "Provisional Government" at Peiping.
Wang Keh-min, Chairman of the Administrative Commission of the Peiping regime, welcome Gen. Terauchi, "thanking him and extolling his services in the restoration of peace and order in North China."

Feb. 6.—Severed Chinese head discovered on Rue Stanislas Chevalier, French Concession, with attached note, saying: "This is warning to all anti-Japanese elements."

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Feb. 7.—Supported by squadron of seven planes, Chinese troops launched counter-attack on Pengpu sector of Tientsin-Pukow Railway front in effort to stem Japanese advance on Hsuchow. Japanese troop and artillery concentrations south of the Hwai River heavily bombed. Planes allegedly piloted by members of so-called "Foreign Legion." Japanese attempts to cross River unsuccessful.
Chinese troops in counter-attack on Hangchow front recaptured Yuhang and Fuyang, respectively 15 miles and 20 miles southwest of the Chekiang capital.

Feb. 7.—Gen. Wu Te-chen, Kwangtung Chairman, declared situation in Canton improved; however, rumors still circulated that large Japanese force had arrived in South China and would soon start major operations.
Japanese troops landed on Chikiau Island, near Tongkawan, withdrawan.

Feb. 7.—Gen. Iwane Matsui, Commander-in-Chief of Japanese Forces in Shanghai, in address at Nanking, ordered tightening of army discipline; action taken as result of adverse comment on breaches of discipline by Japanese troops, according to **Domei** report.

Feb. 7.—The "Provisional Government" at Peiping promulgated (Feb. 6) regulations governing so-called "Federal Reserve Bank of China" which Japanese establishing with intention of displacing the Central Bank in North China.

Feb. 7.—Severed Chinese head discovered in French Concession identified as that of Tsai Tiao-tu, manager of **Social Evening News** published at 222 Shantung Road, International Settlement; body still missing. Cause of murder unknown but rumored Tsai had visited hotel in Hongkew on mysterious mission.

Japanese Sentry Shoots Chinese in Western District

Seriously endangering a working party of the Durham Light Infantry and two British sentries, a Japanese sentry fired at and fatally wounded a Chinese in Keswick Road, within the British area, March 1. At about 3 o'clock, the British post at the Great Western Road railway crossing observed a Chinese coming through the barbed wire, 200 yards along Keswick Road from the post. Two British sentries immediately went down the road towards the Chinese.

A Japanese sentry on the other side of the perimeter ran down the railway and when he was within fifty yards of the Chinese, who by this time had reached the middle of Keswick Road, within the perimeter, knelt down and fired at him causing a fatal wound.

At the time, the two British sentries were within ten yards of the Chinese, while on the road there was a party of the Durham Light Infantry doing digging work under an officer at a spot where they might have been injured by any bullet fired by the Japanese sentry.

The gate across the railway crossing was immediately closed by the British troops, despite the Japanese objections, and the Chinese was taken off to hospital, where he died at 6 o'clock. Both British Army officers and officers of the Settlement policy visited the scene soon after the shooting, and the gate was soon reopened.

According to the Japanese version last night, the Chinese was alleged to have been a looter, attempting to remove a roll of copper wire from the Hungjao area into the Settlement.

Rewards and Punishment for Shansi Troops

In a circular order to the various commanders at the front, General Yen Hsi-shan, Commander-in-Chief of the 2nd (Shansi) War Zone, instructed that appropriate rewards be given to units which manifest special valour in repulsing Japanese attacks, or recapture important districts. Severe punishment were however to be meted out to soldiers who showed cowardice in battle, the order adds Before being despatched to the front, the order was previously approved by General Chiang Kai-shek, President of the Military Affairs Commission.

Japanese Warships Sunk

Two Japanese warships were sunk in the Yangtse Feb. 26 by Chinese planes, according to an official announcement by the Chinese Aviation Headquarters in Hankow.

The Chinese planes, it says, achieved this success when they attacked a concentration of Japanese warships 12 miles west of Wuhu.

One of the men-of-war alleged to have been sunk is stated to have been a destroyer, and the other a gunboat. The number of Chinese planes which engaged in the raid is not stated.

Chinese Morale High on Railway Fronts

"The morale of the Chinese forces is good," stated a foreign traveller who arrived in Hankow Feb. 18 from Hsuchow, having travelled by train on the Lunghai Railway and the Peiping-Hankow Railway, via Chengchow.

The foreigner said that he had visited the Shanghai front five times, and he was prepared to say that the morale of the Chinese troops on the Tientsin-Pukow Railway front was "much higher than that shown in the Shanghai fighting."

He declared that General Li Tsung-jen, Commander-in-Chief of the Chinese forces on the Tientsin-Pukow Railway front, was winning admiration and support from both the troops and the public.

Terrorists Send More Hands to Newspapers

Terroristic activities cropped up again in the International Settlement on March 1 when Settlement police seized two severed human hands while they were in the process of being delivered to as many local Chinese newspapers.

One of the hands was intended for the *Wen Wei Pao* (The Standard), British owned vernacular daily, 436 Foochow Road, and the *Ta Mei Wan Pao*, Chinese edition of the American owned Shanghai *Evening Post and Mercury*.

The seizure was made just as one of the hands was being delivered to *Wen Wei Pao* by a fruit-shop delivery coolie. The second hand was found in his possession.

Meanwhile four of the six heads picked up in the French Concession since February 6 have now been identified as those of Chinese ex-soldiers, it was ascertained. Their late owners were stated at one time to have been residents of a refugee came on Nanking Road.

The sixth head, found last week in a badly decomposed condition, has not yet been identified. The first head found was that of Mr. T. T. Tsai, editor of the *Social Evening News*.

Identification of the heads was made by inmates of the refugee camp who knew the ex-soldiers. The inmates informed the police that the former soldiers disappeared one day and nothing was heard from them since then.

It is understood that the soldiers were among the defenders of Nantao and after the fall of that district, had donned civilian clothes and had straggled into the International Settlement, finding a haven in the refugee camp.

Japanese Diplomat in Shanghai to Be "Minister at Large"

The Japanese Foreign Office will shortly dispatch Mr. Masayuki Tani to Shanghai and he will be the man of the hour in and round Shanghai, to whom the affairs of the Yangtsze valley would be referred almost without exception, the *Asahi Shimbun*, reported Feb. 19. The Foreign Office could not, however, find a suitable capacity in which to send him.

Should he be a "Minister to China" or should be made just a Minister without portfolio "dispatched to China pro tem," as in the case of Mr. Nobufumi Ito? As there are no suitable precedents at home, European and American instances were consulted, and the solution was found. Since the London conference Mr. Norman Davis has been an "Ambassador-at-large," it was discovered. Mr. Masayuki Tani, therefore, will be a "Minister-at-large" dispatched to China.

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Yangchow	*Kien-ou*	Tsinan	Kaifeng	*Santai*
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FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA, AND HONGKONG

West China to Develop Lumber Industry

BY HIN WONG

THE China Finance Corporation, formerly with headoffice at Shanghai, will develop the timber industry of Szechuen with the aid of the Ministry of Economic Affairs of the National Government and the provincial authorities at Chengtu.

It is being proposed that the forest in the Shaping areas within Omei will be first exploited and somewhere in Pahsien, in which is located the city of Chungking, mills will be built, so as to take advantage of the water transportation already existing and the railway now being constructed.

In view of the several railroad lines projected and the coming demands for lumber following reconstruction process which will come after the war, immediate development of forest products appears to be imperative at the present moment.

In connection with assistance to private industrial developments, the Ministry of Economic Affairs is sending out parties to make further geological survey and soundings of the upper Yangtze River in Szechuen, while charitable institutions like the International China Famine Relief Commission have offered to lend expert advice and service to rural communities desiring to improve their irrigation system.

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More than 500 trade shops in Chungking, the wartime capital of the Republic, are deciding not to reopen after the spring festival holidays which are to end Feb. 15. This will put some 12,000 to 15,000 shops assistants out of employment, it is feared, and relief measures are being considered by those concerned.

Most of the shops affected deal in piece-goods. Being unable to ship any more goods from Shanghai since the Sino-Japanese conflict, prices on all articles in this line has been soaring; and consequently the consumption has been cut, as many have preferred native to foreign wares on account of the difference in cost.

Future prospects locally are not at all bright, as far as retail trade is concerned, as the government authorities are encouraging the exodus of women, children, the aged and all those not essential to business or industry in and around Chungking. Since the spring festival holidays, it has been estimated that at least one-sixth of the population has left the city, not excluding, of course, those who would return after their annual visits to their homes in the country.

"Go to the country!" is becoming a popular slogan in the temporary capital of China, and all relief measures of constructive character are inclining that way.

Of the $6,500,000 famine relief fund now being administered in Chungking for the benefit of the affected districts in the province, some $4,000,000 are being distributed in all parts of Szechuen through the 2,000 or more local co-operative societies in the form of small loans to farmers needing funds to buy seeds, while the remaining $2,500,000 are being used for new irrigating process and other conservancy works. This policy is drawing the idle back to the rural districts and relieve the city somewhat from being congested. During the worst period of the recent famine in Szechuen, many have come to Chungking to beg on the streets and this may explain the fact that during 1937, the city had to bury at public expenses more than 13,000 dead, some actually from the streets.

General Chu Ching-lan, a former civil governor of Kwangtung now in charge of relief service for the central government, now in Chungking, has decided to move the largest orphanage now in the city to the farming districts. He is negotiating with a monastery near Pehpei for the use of its cultivable lands so that the homeless children may eventually partly, if not wholly, support themselves with their own labor in truck gardening or other productive occupation. In the meantime, General Chu is hoping that as many as possible would come to his aid with donations. Some $2.50 will take care of an orphan for a month. As soon as possible, these children will be sent back to the country districts where they may work on farms to be created of government owned lands.

Fear of air-raids appears to be indirectly helping the "go to the country" movement. So far up to February 9 when an alarm was given, no enemy 'plane has been seen near Chungking, and the nearest one found was that observed over Siukiang, some 80 miles off Wanhsien, still two hours lying-distance from this city.

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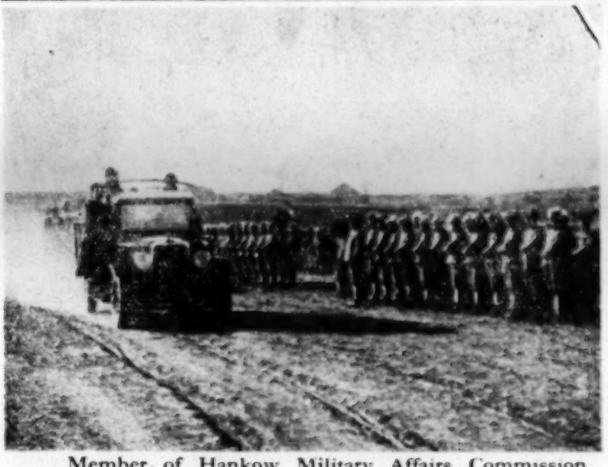
Trade in Chungking and vicinity during December, 1937, was not so bad, according to business tax returns. Some $1,020,000 were collected during the month, and the proceeds, minus expenses, according to new regulations, were to go towards the support of the war for self-defense. Some trades have to pay as high as three percent business tax. In Chungking, the biggest volume of business has been the cotton yarn imports, and this trade has been contributing about $48,400 every six months, being followed next by the piece-goods and the tung oil trade, contributing some $25,000 and $22,000 respectively every half year.

A new local assessment which will be general beginning the January of this 1938 is the house rent tax, for some time only enforced in Chungking and other larger cities in only 23 of the more popular districts in Szechuen. This item has been helping the provincial treasury in Chengtu with about $3,600,000 annually, and the general enforcement, it is hoped, will provide at least $10,000,000 towards the provincial budget.

The presence of the National Government in Chungking should be of some financial benefit to the local merchants and only very recently the Ministry of Finance has put some $3,000,000 in local banks for the expenses of the several



Member of Hankow Military Affairs Commission reviews Chinese forces along Lung-Hai.

government departments here. More than 25 principal central government offices have been established in Chungking since the early part of December, while Mr. Lin Sen, Chairman of the National Government, arrived here as early as November 26th last.

To assist the local authorities in the enforcement of national taxation, the Ministry of Finance is ordering to Szechuen several companies of preventive guards to be stationed at important points to watch against smuggling and, at the same time, offer some protection to trade routes.

With the financial aid of the central government, the principal highways from Szechuen to the provinces of Hunan and Kweichow are to be greatly improved in the next five months, and 11 gangs of workmen under the direction of trained engineers have just left Chungking to take charge of their assigned sections for road improvement and maintenance. According to present plan, nine bridges will be more substantial materials, mostly stone, while ferries now connected by junks will be replaced by steamers, in order to insure heavier transportation. Some of the bridges will be changed to bear five, instead of two-ton trucks.

Another general improvement to communications in Szechuen and west China will be the regular calls at Chungking, now the wartime capital of the Republic, of many Eurasia 'planes; which will expedite passenger and mail service from here to Kunming, Sian, Lanchow, and Ninghsia, doing away with the necessary transfer at Hankow, Chengtu, and other points.

For local transportation, the municipal and air-defense authorities in Chungking, as previously reported, are planning for a subway from the heart of the business section to the most popular of the city. As this underground work will admit more than 100,000 persons at a time, it may serve a good purpose upon the possible arrival of enemy bombers. The subway will be 1,200 meters long.

Chungking, February 12, 1938.

Chekiang Ports to Remain Open

Presumably as a result of the urgent petitions made by the local shipping lines, the Chekiang authorities were reported to have modified their previous decision to close the ports of Taichow and Wenchow entirely to shipping from March 1. In place of blocking the entrances to the two remaining ports of southern Chekiang completely, the Chekiang authorities are said to have decided to leave openings in the booms large enough to allow the passage of coastal steamers plying between Shanghai and the Chekiang ports.

The booms will be placed at the mouth of Wu Kiang in Wenchow and at Haimen in Taichow. Vessels desiring to enter or leave the ports are required to hire specially licensed pilots in passing through the booms. As a consequence of this new decision, several Shanghai foreign shipping firms are continuing to send vessels to the Chekiang ports.

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Shanghai Importers Complain of High Rates on Deviated Cargoes

Complaints of excessively high rates on cargo deviated as a result of the local hostilities, striking a serious blow at local importers, were made against shipping companies operating to China by a local importer of metal products, when interviewed Feb. 16 by a *North-China Daily News* reporter. The complaints related to the recent reduction of dues on cargo deviated through other ports as a result of the hostilities from 16/- per bill of lading ton to 13/6 per bill of lading ton, which reduction many local importers, it was stated, consider insufficient.

"There is no precedent for such charges being imposed at all" expostulated the importer interviewed, "and we expected at least a reduction to five shillings or so a ton. During the 1932 hostilities, no such charges were levelled on deviated cargo, nor were they imposed during the Pacific Coast shipping strike. What makes matters worse is that freight charges have risen considerably in the last year or so. The only extra expenses to which the shipping companies have been put through deviated cargo is loading and unloading charges at ports where the cargo was held pending conclusion of the local hostilities. All storage charges, according to the bills of lading, have to be paid by the consignees. I am sure that the loading and unloading of cargo at the "ports of refuge" where it was temporarily dumped does not amount to anything like 13/6 per ton. Local traders consider this to be an entirely unfair charge."

A reliable estimate of the cost of loading and unloading cargo at Hongkong, where much of the deviated cargo has been stored, was H.K.$3 per ton, and as this was the only expense occurred by the shipping companies, there was a margin of about 8/6 per ton to be accounted for. So far, local trading companies had been unable to obtain a statement from the shipping firms as to what expenses were covered by this sum. "The charges are utterly unreasonable," the dealer stated, "and with all the other worries which have to be faced by local traders during these difficult times they come as a bitter blow."

Shipping Firms Deny Rates Too High

In answer to the claim that they are charging excessive rates for bringing deviated cargoes to Shanghai shipping firms state that far from making undue profits, they have suffered losses on the trans-shipment of cargoes which they are now picking up from ports in which they were dumped when the local hostilities prevented direct service to Shanghai, the *China Press* reported Feb. 18.

The China Homeward Freight Conference, made up of the various shipping companies bringing cargoes to Shanghai, previously set a charge of 16/- per ton as being a fair charge to add to the regular freight charge to cover the extra handling charges caused by the dumping of cargoes in ports other than Shanghai, the port of destination.

Later, finding that there was a slight margin above the actual handling charges, a decrease to 13/-6 was made, it was explained.

However, deviated cargo now brought to Shanghai must be handled three times instead of once as it would be had there been no hostilities, a representative of a shipping firm pointed out. Further, these handling charges are at much higher rates than normally. And incidentals, not accounted for by the importer, take up all of the 13/-6, he said.

As for the handling charges at Hongkong, he said, $4.50 per ton existed early in the period of Shanghai hostilities before there was a great deal of congestion in Hongkong. Costs mounted rapidly and continued to rise with the increase of congestion, now being in the neighborhood of $6 per ton, he said.

Stevedoring, lighterage and wharfage in Shanghai have also increased 50 per cent since the hostilities, he claimed. Freight rates, which are based on the normal loading and unloading costs plus a fair return to the shipping firm, would include a portion for discharging the cargo in Shanghai.

However, he continued, these rates were based on normal costs, and the 50 per cent increase should be figured into the 13/-6 added charge as well as the double handling at the port of refuge.

Because of the congestion that existed in most refuge ports, particularly Hongkong and Manila, ships were often held up for several extra days before being able to discharge their cargoes. Further, when lighters could be found and cargoes discharged into them, it was often days and in some cases as long as two weeks before the cargoes could be discharged from the lighters ashore, he said.

Again, the shipping official said, discharging directly to wharves, usually possible during normal times for certain types of cargo, could be effected at much lower costs than discharging into lighters from which the cargoes had to be moved again by coolies paid by the shipping firms.

The loss of time by vessels being tied up with cargoes while awaiting lighters or wharf space and the extra demurrage on lighters from which cargoes could not be promotly discharged, he said, are losses borne by the shipping companies and are not figured into the extra charges which were designed only to cover extra handling charges and other expenses in connection with effecting shipments.

"Should these factors be taken into account the extra fee of 13/-6 would not begin to cover the expenses incident to the handling and carrying of deviated cargoes. It is unfortunate that importers must pay the extra charges, but as it does not cover our losses, and since we must suffer too, I consider these claims of excessive charges as unwarranted." he said.

Japanese Hold Ships Needed for Harbor Dredging

The date when dredging operations will be resumed in Shanghai's harbor is entirely dependent upon the successful conclusion of negotiations now being carried on between the directors of the Whangpoo Conservancy Board and the Japanese Naval authorities who are detaining the vessels of the service, the *China Press* reported Feb. 19.

The condition of the channel of the river cannot be ascertained without surveys carried out by soundings and the analysis of samples of water taken at various points, which cannot be made at the present time.

Normally 3,000,000 cubic yards of silt and mud are scraped from the river bed during the course of a year. As dredging operations have not been carried on for six months, since the dredgers were seized by the Japanese early in the hostilities, it is believed that certain points in the river are in great need of dredging.

Such a point is Wayside Bar, opposite Yangtszepoo, where a midstream channel was dredged in 1934-35. Another is Black Point about six miles below Shanghai which was dredged last year. Austuria Channel, five miles above Woosung, is one of the largest areas that needs frequent dredging. It was dredged last in 1934-35.

It is reported that the Japanese are now using a number of the seized vessels in dredging operations opposite Japanese wharves in Yangtszepoo. Also several of the craft are to be seen quite often running up and down the river in front of the Bund carrying supplies and otherwise used by the Japanese.

Dollar Company Announces Sailings

The Dollar Steamship Company Feb. 15 announced its sailing schedules for the next six months.

In exchange for a Government subsidy, the agreement provided that the company make three sailings from San Francisco each month, two from California to Manila via Honolulu, Yokohama and Kobe and to return via the same route while the third is globe-encircling, operating on a 28-day basis instead of the former bi-monthly basis. The itinerary of the round-the-world sailing will follow its present course but will not make its regular Shanghai call.

The s.s. *Coolidge*, *Cleveland*, *Wilson* and *Taft* have been assigned to the trans-Pacific service, while the s.s. *Adams*, *Harrison*, *Polk* and *Garfield* will make the world tours.

President Roosevelt Concerned Over U.S. Shipping Position

Indicating President Roosevelt's concern over the merchant marine situation, Mr. Roosevelt Feb. 18 appointed Rear Admiral Emory S. Land, Chief of the Bureau of Naval Construction and Repair, as new Chairman of the Federal Maritime Commission. Admiral Land will succeed Mr. Joseph Kennedy who had been nominated as new Ambassador to London.

Simultaneously the President announced the appointment of Mr. Morell Truitt, the Commission's general counsel, to fill the vacancy resulting from Mr. Kennedy's resignation from the Commission. Admiral Land had been a member of the Commission prior to his appointment to the chairmanship.

The speed with which President Roosevelt filled the chairmanship of the Commission was interpreted as indicating his concern over the merchant shipping problem.

Japanese Fire on British Passenger Plane

An Imperial Airways 'plane traveling to Hongkong from Penang last week was fired upon by a group of Japanese warships just south of the Colony, says a belated report received in London on Feb. 28.

The machine, which was carrying passengers and mail, was not hit. According to a report made to Imperial Airways by the pilot of the machine, there was "firing in the vicinity" of the 'plane, but he was flying at a height of 12,000 feet, which would be out of the range of machine-gun bullets.

CUSTOMS NOTIFICATION No. 1627.

Notice is hereby given that, Saturday, the 12th March 1938, being a Customs Holiday, the Custom House will be closed and the shipment and delivery of cargo suspended on that date.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 2nd March 1938.

Who's Who in China

Hsiao-min Shuli Lay, diplomatic official; born at Canton, 1888; graduated from the Imperial College of Languages, Peking; A. B., George Washington University; A. M., University of Pennsylvania; B. C. L., Yale University; received certificates for studies from Harvard University and the University of Geneva; "Chu-Jen" of the defunct Manchu Dynasty; licensed to practise law by the Ministry of Justice of the Republic; student-interpreter to the Chinese Legation at Washington, 1910-14; member of the Waichiao-Pu, 1918-20; member of the Salt Gabelle, 1918-20; Attache to the Chinese Legation, Mexico-City, 1920-21; Third Secretary of the same Legation, 1921-23; Second Secretary of the same Legation, 1923-29; First Secretary to the Chinese Ambassador on Special Mission to Peru, 1924-25; Charge d'Affaires ad-interim at Mexico City, 1927-29; elected Honorary Member of the Sociedad Nacaional Mexicana de Geografia y Estadistica, 1928; Second Secretary of the permanent Office of the Chinese Delegation to the League of Nations, 1929-30; appointed Consul to be in charge of the Chinese Consulate-General at Chicago, 1930 (did not proceed); Member of the Chinese Assessor's Office attached to the Commission of Inquiry of the League of Nations on Manchurian Affairs, 1932; Secretary of the Ministry of Foreign Affairs, 1932-33; First Secretary of the Chinese Legation, afterwards Embassy, Berlin, 1933-35; First Secretary of the Chinese Legation, Vienna, since November, 1935; Charge d'Affaires ad-interim at Vienna, November, 1935-January 1936; again Charge d'Affaires ad-interim since October 1936; given merits by Ministerial decrees of the Waichiaopu in 1928 and 1936; decorated by the Chinese and Peruvian Governments; Present address: Chinese Legation, Vienna, Austria.

雷孝敏字素理
Hsiao-min Shuli Lay
(Lei Hsiao-min)

Jonyor C. Liao, diplomatic official; born at Meihsien Kwangtung, 1903; graduated from National Teachers' College of Kwangtung, 1922; National University of Kwangtung, 1924; lecturer, Kaying University 'Meihsien, 1924-25 and Kuoming University, Canton, 1925-26; secretary and chief of section, Aviation Bureau of the Central Military Council of the Nationalist Government at Canton, 1926; instructor in Politcal Sciences, Whampoa Military Academy, 1926-27; secretary, Canton office of the Central Political Council, 1926-27; Political Commissioner, 25th Division of National Army, 1927; joined foreign service after having successfully passed the competitive examination for the Diplomatic and Consular Service, 1928; attache and Third Secretary of the Chinese Legation at Panama, 1929-34; Charge d'Affairs a.i., 1929; Deputy Consul at Panama, 1929; Vice-Consul, 1932-34; Vice-Consul at Nicaragua, 1930-32; transferred to Chinese Legation at Cuba, 1934; Special Envoy of the Chinese Government to Dominican Republic, 1934; Charge d'Affaires a.i. and Acting Consul General, 1935; promoted to Second Secretary, 1936; address: Chinese Legation, Havana, Cuba.

廖頌揚字仲雅
Jonyor C. Liao
(Liao Sung-yang)

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In the United States Court for China

WILLIAM SHEVCHENKO, Plaintiff, vs. DORA SHEVCHENKO, Defendant.	Cause No. 4301 Civil No. 2180 ORDER; Filed at Shanghai, China, February 17, 1938. William T. Collins, Clerk.

The object of this suit is an action for divorce

WHEREAS, plaintiff herein, by his attorneys, has this 15th day of February, 1938, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 15th day of February, 1938, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 15th day of February, 1938, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein for the past five years, and that defendant's last known address was 648 - 18th Street, Oakland, California

NOW, THEREFORE, it is this 17th day of February, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 12th day of March, 1938, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 17th day of February, 1938.

MILTON J. HELMICK
Judge.

Men and Events

Max Schibler, manager of the Park Hotel and Mrs. Schibler, departed last week on a trip to the United States.

Kung Teh-chen, descendant of Confucius, now in Chungking, announced his intention of going to Great Britain.

Itsuo Goto has been appointed First Secretary of the Japanese Embassy in China and concurrently Consul at Shanghai.

B. J. Stansfield, manager of the Shanghai office of China Import and Export Lumber Company, is in Manila on a business trip.

Mrs. Pu Chieh, wife of the brother of Pu Yi, gave birth to a girl baby at Hsinking on Feb. 26. Mrs. Pu Chien is of Japanese nationality.

Madame Ivan Luganets-Orelsky, wife of the Soviet Ambassador to China, has arrived in Hankow, having made the trip from Russia by way of Lanchow, Kansu, by airplane.

Vernon Bartlett, correspondent for the London *News-Chronicle* and editor of the *World Review*, who has been in Hankow, has returned to Hongkong and plans to visit Shanghai shortly.

G. A. Anderson, for many years connected with the British and Foreign Bible Society, accompanied by Mrs. Anderson, departed this week for Scotland where they will make their home in future.

M. P. Auge, Acting Consul-General for France at Shanghai, will be guest of honor at a luncheon held at the French Club by the Shanghai Cosmopolition Club on Wednesday, March 9 at 12:30 o'clock.

Keiichi Yabuki, manager of the Yokohama Specie Bank at Shanghai is shortly returning to the head office at Tokyo and his place here will be taken by Shinsaku Asada, now manager of the branch at Dairen.

Denjiro Kato, former First Secretary of Embassy and Consul-General at Hankow, has been appointed Consul-General at Mukden. Shohei Fujioka, formerly at Mukden, has been transferred to the Consulate-General at Kalgan.

John Foster Dulles, member of the New York law firm of Sullivan and Cromwell, who, with Mrs. Dulles, is making a trip through the Far East, is now in Hongkong and is planning to return home by Clipper Plane.

Toshio Shiratori, former Japanese Minister to Stockholm and once Foreign Office spokesman in Tokyo, arrived in Shanghai this week on a tour of inspection. After a few days here he plans to proceed to Nanking and North China.

Mauricio Fresco, former Mexican Consul in Shanghai has been appointed Cousul-General for Mexico at Bordeaux, France. Since departing from Shanghai, Mr. Fresco has been in New York where he was engaged in newspaper work.

Three Spanish missionaries stationed at Suitung, Anhwei, were reported captured by Chinese bandits, according to a *Domei* report on Feb. 25, which attributed the action to "communist influence directed at Catholic missionaries in particular."

The National Government has awarded the employes of the Canton-Hankow Railway the sum of $10,000 for meritorious service. The gift was accompanied by a letter from Gen. Chiang Kai-shek commending the workers for their loyalty and patriotism.

A son was born to Gen. and Mrs. Douglas MacArthur at Manila on Feb. 21. Gen. MacArthur, adviser to the President of the Philippine Commonwealth, Don Manuel Quezon, was previously Chief of Staff of the U. S. Army. The MacArthurs were married in Washington last year.

Some 80 persons were drowned when the Chinese Upper Yangtsze steamer Ming Ching sank above Chungking on Monday, Feb. 21. Another boat loaded with charcoal became grounded ahead of the Ming Ching and when the helmsman attempted to avoid it the ship listed and sank.

O. Okamoto has been appointed to the position on the Municipal Council of the International Settlement in place of T. Urabe, who has resigned as he is departing from Shanghai. C. S. Franklin, Chairman of the Council, expressed the regret of the members at Mr. Urabe's departure.

James Mills, well known traveling correspondent and photographer for the *Associated Press*, who has been in the Far East for sometime, stationed at Shanghai, Peiping, Tokyo and more recently at Hankow, is departing soon for the New York office and after a short time there will proceed to Europe.

The Japanese liner *Asama Maru*, grounded in Hongkong harbor during a typhoon five months ago, will soon be floated and taken to Japan for repairs. In the course of the salvage operations it was necessary to remove the ship's engines and boilers. The cost of repairs by the Mitsubishi Dockyard will be Yen 4,000,000.

Chen Chen-hsien, well known rural economist and three assistants, were killed by Chinese peasant rioters at the town of Chinshui, 20 miles south of Wuchang. Rioting broke out as a result of a dispute over possession of farm land when more than 1,000 farmers broke into the office and killed the director and his assistants. The farmers were armed with scythes, hoes and pitchforms.

Claude Farrere, French journalist, who has been making a tour of Japan and Manchukuo, was quoted by *Domei* as stating that he was amazed by the progress of Manchukuo which he described as a "combination of good men and good earth." Mr. Farrere was awarded the decoration of Order of the Sacred Treasure, second class, while in Japan.

Rear-Admiral David M. LeBreton, former Chief-of-Staff of the U. S. Fleet, is scheduled to arrive at Hongkong on March 1 and will immediately proceed to Hankow to assume command of the U. S. Yangtsze Patrol, relieving Rear-Admiral Edward J. Marquart. Rear-Admiral Marquart will spend a month in Manila before returning to the United States.

Dr. Hiromichi Kozaki, one of the oldest and best known native Christians in Japan, died at the age of 82 years at his home at Chigasaki, Kanagawa Prefecture, on Feb. 26. Dr. Kozaki was founder of the Reinanzaka Church, the Y.M.C.A. of Japan and for a considerable time was President of Doshisha University. He promoted the autonomy of Japanese Congregational churches in Japan.

Woo Kyatang, member of the editorial staff of the *The China Press* is ill at the Red Corss Hospital and will not be able to resume his work for several weeks. Mr. Woo recently accompanied Mrs. Woo and their son to Hongkong on their way to the United States, Mr. Woo became ill in Hongkong and upon his return here had to enter the hospital. Mr. Woo is a graduate of the School of Journalism of the University of Missouri.

More than 30 tons of gasoline belonging to the Japanese Army and stored at the Peiping-Hankow railway station, caught fire on the night of Feb. 25 and was entirely destroyed. The gasoline, intended for use of army trucks and airplanes in the present fighting along the Yellow River, was standing on the tracks in three railway cars ready to be dispatches southward. The Japanese military authorities suspect the fire was of incendiary origin.

Yang Hsiao-lou, famous Chinese actor who specialized on military roles, died in Peiping on Feb. 14. He was 61 years old and learned acting from his father. For many years Yang and a group of other actors presented plays before the Empress Dowager Tzu Hsi at the Imperial Palace on the first and fifteenth of every month. He frequently appeared in Shanghai but was best known in Peiping where he assisted in the organization of the Ti-I-Wu-Tai, or modern theater, which recently was destroyed by fire.

The Czechoslovakian newspaper *Morgenblatt* at Zagreb, published a report on the recent mutiny of the Chinese crew of an American cargo steamer Southern Island, stating that the ship contained a cargo of arms which the captain had planned to deliver at Shanghai, but after the fall of the city, he decided to take the cargo to Japan and dispose of it there. When the Chinese learned of the changed destination of the arms they refused to operate the ship. The crew was shipped back to China on an Italian steamer.

The well known magazine *Readers Digest* is sending its correspondent, Jerome Beatty, on a trip to the Far East shortly, his commission being unusual in that he will write only about Americans, men and women, who reside abroad. In describing his plans, Mr. Beatty said he intended to write about Americans "who may be missionaries, doctors, nurses, politicians, men behind the government, artists, explorers, archeologists, spies, traders, businessmen who have done something more than make money, or who have made it in a romantic manner, adventurers, pioneers—anybody whose story is outstanding.

Albert Edward Mandel, president of the China Fibre Container Company, well known American businessman of Shanghai, died of heart failure at his home in the Medhurst Apartments at 10:30 o'clock Saturday evening, Feb. 26. Funeral services were held at the Jewish Cemetery on Tuesday, Feb. 28 and were attended by a large number of friends and acquaintances. Mr. Mandel was born at Cleveland, Ohio and came to Shanghai in 1923, engaging in the paper manufacturing industry. The company of which he was president, operated two large factories in the Yangtszepoo district. Mr. Mandel was 57 years of age and is survived by Mrs. Mandel, who was Miss Lucy Skinazi of Shanghai, and a daughter, brother and three sisters who are in the United States.

Ralph Holder, native of Texas and graduate of the University of Missouri, is the hero of Tachienlu, famous border city in western Szechuen near Tibet. According to the correspondent of the *North China Daily News* at Tachienlu, young Holder, who is the agent of the American Bible Society, observed a fire starting in a shop which, had it not been extinguished, might have destroyed the entire city. Holder seized a bucket and with the help of the local fire department, succeded in drenching the fire. As a result only a musk-shop was destroyed. The local Chinese commander, Gen. Liu and members of the Border Administration, publicly thanked Young Holder and requested his advice in reorganizing the local fire department, which the *N. C. D. N.* correspondent described as resembling a football pump. According to the correspondent the city of Tachienlu is constructed on the side of a mountain in such manner that the wind "acts like a blacksmith's bellows," thus making fires especially dangerous.

Tsinghua University Not to Reopen

Announcement by the Provisional Government's Ministry of Education that the Tsinghua University was definitely not reopening was regarded in Peiping as the logical climax to what appears to be a definite campaign to eliminate this institution, known as America's greatest cultural gift to China, *United Press* reported from Peiping Feb. 26.

The buildings and equipment, valued at approximately $20,000,000 and obtained from the American Boxer Indemnity Fund, would require many millions to restore them for use again.

Nominally in charge of a special committee of fifteen Tsinghua and six Provisional Government appointees, the whole university plant is directly controlled by Colonel Renya Mutaguchi, former Japanese Embassy Guard Commander.

Used as barracks by 300 to 500 Japanese troops, who have time after time found it necessary to occupy more and more buildings, the plant is practically closed to the members of the Tsinghua committee and the Ministry of Education who must secure special permits even to enter the campus.

Late in January claiming it was necessary to increase barrack space, the commander gave the committee three days in which to remove millions of dollars worth of scientific equipment from the Science, Chemistry and Biology buildings.

The removal was accomplished with much inevitable breakage. When asked why they must use the Chemical Building which was most unsuitable for a barracks, one Japanese replied, "the building must be punished because here anti-Japanese students manufactured poison gas in the spring of 1937."

In addition to breakage, the university's equipment suffered from pilferage, according to reliable witnesses who estimated the fifteen per cent of the total equipment had disappeared.

Students Leave Changsha for Yunnan

Half of the 1600 former Peiping college students studying at Changsha were making preparations today to leave for more permanent quarters in Yunnan while the others were proceeding to various fronts to help in political campaigns.

Eight hundred collegians were forming a caravan for the removal of the "Changsha Temporary University" to Yunnan for safety.

The "Changsha Temporary University" was opened when hostilities prevented the students of Tsinghua and Peking Universities of Peiping from continuing their studies.

It was recently decided to transfer the temporary university to far off Yunnanfu where it was believed the college would be safe from all warfare.

Half of the enrolled 1600 students, however, turned down the proposition of travelling to Yunnanfu, preferring to visit the various fronts in the hope of performing political duties.

Joint Middle School Established in Sian

For the accommodation of middle-school students from the war zones in Hopei, Charhar, Suiyuan and Shansi, the Ministry of Education has established a Joint Middle School in Sian. More than 1,200 students have already enrolled; the school will have a faculty of more than 400 teachers.

President of Great China University in Kweichow

Mr. Wang Po-chun, President of Great China University, arrived in Kweiyang Feb. 14 from Changsha, provincial capital of Hunan. Interviewed, Mr. Wang said that arrangements have been made with the Ministry of Education for the establishment. There of a permanent joint University for the accommodation of the students of the Great China and Fu Tan Universities. New buildings for the Joint University will be constructed in Kweiyang in the near future.

Political Institute for Kiangsi

In order to train administrative experts for service in the various District Government in that province during the campaign of resistance, the Kiangsi Provincial Government has decided to establish a Local Administration Institute in Nanchang. The Institute will be headed by General Hsiung Shih-hui, Chairman of the Kiangsi Provincial Government, with Mr. Hsiao Shun-chin, member of the Provincial Government, as Dean. The Institute will be inaugurated on March 1.

Tung Chi University to Move to Szechuan

The National Tung Chi University whose campus at Woosung was completely destroyed during the hostilities here has been ordered by the Ministry of Education to move to Szechwan, a Chinese report from Hankow stated Feb. 21.

The Tung Chi University following its evacuation from the battle-torn area established a temporary campus at Kinhwa, Chekiang, last fall. As the Japanese aerial activities gradually extended to the Chekiang city, the University authorities again removed the classes to Kian, southern Kiangsi.

As the University campus in Kiangsi is of a temporary nature, the Ministry of Education has appropriated $50,000 as part of expenses for a permanent campus in Szechwan . The Szechwan provincial authorities are said to have donated a large tract of land for the University in a yet undisclosed locality.

RISKS of Indigestion

Most people nowadays realise what an important part the digestion plays in relation to our health. When the digestion goes wrong, the whole system rapidly becomes disorganised. We fail to get proper nourishment from the food we eat because we cannot digest it, and food that lies undigested on the stomach quickly ferments and poisons the system. Flatulence, waterbrash and other unpleasant symptoms follow.

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New Books of Interest in the Far East

A Good Biography of China's Leader

Strong Man of China, by Robert Berkov. Houghton Mifflin Co., Boston 1938; 284 pages; illustrated.

With short chapters and crisp sentences Bob Berkov has told the story of the life of Chiang Kia-shek from the point of view of a disinterested observer, a journalist whose first ideal is accuracy and whose second ideal is readability.

When *Time* magazine characterizes the book as "the first really good biography of China's Chiang," it probably means that this is the first book that deals frankly with General Chiang's life, his rise to power, his attributes, good and bad, and, above all, with the inclusion of no hokum. Mr. Berkov, while in Shanghai on the staff of the *China Press* and as local manager for United Press, gathered his data carefully, and has presented a book which makes no pretense of being omniscient. He has repulsed the idea of making a hero of the General, carefully marshaling the facts as revealed by those who should know.

In his opening sentence, however, Mr. Berkov emphasizes the importance of his subject: "The story of China—a story more than four thousand years old—has become the tale of a single man. What that man says is his country's policy. What he does becomes his people's history."

From a middle class beginning in Chekiang, through the Paoting military academy, through Japanese military school, through Shanghai as a small time military revolutionary and later as a clerk and broker, to Canton where he made a phenomenal rise to power and influence, the book follows General Chiang's advance. In 1925 Chiang was unknown, but two years later he was the head of the nationalist armies in their drive to unify the country under Dr. Sun Yat-sen's Three People's Principles. This is a period of the General's life which is not so well known, and it is to this period that the author adds many details hitherto unknown to the casual observer.

In general, Mr. Berkov interprets the events of importance in Chiang's life with moderation, and without emotionalism. Concerning the flight of the Communists from Hankow after the nationalist drive to the Yangtse Valley, he writes, "No purge took place. There were no arrests. It was acknowledged that the period of Kuomintang-Communist co-operation had come to an end, and Borodin, Galens, and the remaining Russians went overland to Moscow. A number of Chinese left-wing adherents, including the widow of Sun Yat-sen, followed them soon afterward."

In a similar manner he refers to Chiang's union with the Soong family: "Chiang's marriage to Mei-ling was one of the important events of his life. If he has avoided becoming just another Chinese war-lord, it is largely due to his wife. Since that December day in 1927 on which he married her, he has become a far greater figure in Chinese life. It would be ridiculous to say that he is what he is because of her; the man was a character of no mean force before he met her. But the changes in his personality, the development of his national vision, and the modifications of some of his polices are without a doubt directly due to her influence and hers alone."

Again, in connection with the 1932 undeclared war at Shanghai, although most persons are extremely critical of the Generalissimo because of his failure to support the 19th Route Army, Mr. Berkov points out that the 19th Route Army had been stationed along the Shanghai-Nanking Railway to protect the southerners who had just concluded a deal which took them to Nanking and who wished to make sure that at least one road from Nanking was left open in case their politics went haywire. Consequently, Chiang could work up little enthusiasm for the men of Tsai Ting-kai.

"But it was also true," Mr. Berkov continues, "that when the fighting broke out at Shanghai, Chiang was in no position to order the Nanking military forces to support the Nineteenth Route Army. This point was generally lost sight of, particularly in foreign countries where the Chinese communities, being almost wholly Cantonese, loudly denounced Chiang for sacrificing the brave Cantonese to the enemy . . . . The fact was that at the time Chiang was merely a member of the standing committee of the C.E.C. He had resigned all his other posts. He was no longer commander-in-chief of the armed forces."

Moderate also are the criticisms of Mr. Berkov, although he makes no attempt to conceal his feelings concerning such chapters in Chiang's life as the anti-Communist drive of 1927 and succeeding years. "Terror can never be condoned. Nor are the attempts to clear Chiang of responsibility very convincing. That he approved, encouraged, and directed the Communist purge of 1927 is not even denied by his apologists. That he was just as aware of the less publicized but equally drastic drive of the succeeding eight years is patent to any impartial observer . . . . But political realists know that in any government ruled by minorities the ruling group has had to stamp out opposition by ruthless means. . . . China's example was neither better nor worse than those of other countries. And Chiang was no more to be exonerated or excoriated than the chiefs of a dozen other regimes, in or out of China."

One of the commendable elements of the book is that the author has collected the verified facts and has pointed out the possibilities of falling into error. For instance, in speaking of Chiang's days in Shanghai, when he was a broker, Mr. Berkov points out that he undoubtedly came in contact with the leaders of the secret societies "which even today dominate Chinese urban life to an unbelievable extent." But he also warns the observer of Chiang's life not to jump at conclusions: "That the association formed in those obscure war-time (World War) days has proved valuable to him, no one can doubt. It enabled him to subjugate Shanghai some seven years later without sacrificing much-needed soldiers. The allegation that he is in league with the gangs has never been proved, and hence must, as the British news agencies say, be treated with the greatest reserve."

The passages quoted can give some idea as to the nature of the book, but they cannot show the scope, which is quite complete, except for the purposes of a Sinologist. The great value of the book is the fact that it organizes and presents in an interesting form the most important events and influences in the life of General Chiang and spikes some of the very interesting but doubtful stories concerning Chiang which cannot be laid to rest by official or semi-official denials.

F. W. G.

Philippine Independence Unlikely to Be Postponed

Following a two-hour conference on Philippine problems with President Roosevelt in the White House, Mr. Paul V. McNutt, U.S. High Commissioner to the Philippines, announced in Washington Feb. 26 that he doubted the wisdom of any change in the political status of the Philippine Commonwealth at present.

Mr. McNutt said that it was unavoidable that the Philippine problem should be "related in many ways to the situation in China." He did not reveal the contents of his report on the international implications of the Philippine situation, however.

"President Roosevelt," he said, "has a broad and sympathetic interest in the Philippines. He is vitally interested in developments there and in the future of the islands. It has been amazing to me to find that he has such command of facts regarding the Philippine situation."

Mr. McNutt revealed that President Roosevelt was particularly interested in the progress of the Philippine Army. Mr. McNutt said he had told the President that the Philippine Army was progressing satisfactorily.

Authoritiatve circles in Washington indicated that President Roosevelt and other Administration leaders were not likely to support any move to reconsider the date of independence for the Philippines—neither advancement nor indefinite postponement of the date.

Although Mr. McNutt is reported to have urged reconsideration of the entire Philippine question in order to approach the problem from the viewpoint of the Oriental crisis, other international developments may be responsible for the lack of enthusiasm shown in official circles.

Filipino circles in the American capital have been extremely cautious in commenting on the question, but none of them have definitely rejected the idea of reconsideration of the independence date. Most members of Congress also have shown little enthusiasm over reconsideration of the question.

"G Men" Smash Espionage Ring in New York

Federal Bureau of Investigation agents, the nation's famed "G-Men," smashed a gigantic espionage plot to sell vital American military secrets to an unnamed European power, in New York Feb. 26.

Two men, both of whom were reported to have confessed to complicity in the plot, and a woman, were arrested and Mr. J. Edgar Hoover, head of the Federal Bureau of Investigation in Washington predicted that other arrests were imminent. The trio was arraigned before a United States Commissioner and held on bail of $25,000.

Federal agents indicated that the plot might prove one of the biggest in American history. Mr. Reed Vetterli, head of the Federal Bureau of Investigation in New York, said that the "G-Men" had been working on the case since July, 1936, and had unearthed a vast amount of information regarding the activities, of the espionage ring.

Mr. Hoover, in Washington, said that Federal agents had discovered the key to the code used by the espionage agents and therefore had been able for some time to decipher messages exchanged between spies involved in the espionage rng. He indicated that the arrests might have been delayed in order to learn more of the ring through intercepting messages between the various spies.

It was worthy of note that Donald Robinson and his alleged wife, Miss Ruth Reubens, now under arrest for espionage activities in Moscow, entered the Soviet Union with forged American passports. It was believed possible that they had been implicated in the same spy ring. Federal agents said they were unable to confirm the connection, however.

German Military Advisers to Remain in China

Despite the recognition of "Manchukuo" by the German Government, the various German military advisers under General Chiang Kai-shek have expressed their determination to remain in the service of the Chinese Government.

Interviewed by *Kuo Min*, a spokesman of the German advisers said that their earnest desire is to be "permanent friends of China." He added that they have definitely decided not to leave this country.

Manchukuo Recognition Made Retroactive

German recognition of "Manchukuo" has been made retroactive to Feb. 20, when Reichsfuehrer Adolf Hitler informed the Reichstag of his intention to open diplomatic relations with the New Empire.

Formal notice of the recognition was conveyed to Premier Gen. Chang Ching-hui, of Manchukuo, Feb. 27 by Dr. Karl Knoll, German Commercial Counsellor in Mukden.

China Protests

The Chinese Embassy in Berlin issued the following statement on Feb. 26. "Following the announcement of the German Government's intention to recognize the independence of the so-called 'Manchukuo' regime set up by force by the Japanese military authorities, the Chinese Ambassador in Berlin, Dr. Cheng Tien-fong, paid upon Reich Foreign Minister von Ribbentrop at the latter's invitation on Monday a visit during which the two statesmen had a long conversation. On Thursday afternoon the Ambassador against called at the German Foreign Ministery and presented a note in which the Chinese National Government protests against the German Government's recognition of the 'Manchukuo' regime."

Japanese Will Take Over the Chinese Kiangnan Dockyard

The Kiangnan Dock and Engineering Works, located on the Whangpoo at Lunghwa, largest Chinese-owned drydocking and ship-building works has been seized by the Japanese and according to report will be operated by the Mitsubishi interests in future. The last trip of the Nagasaki Maru brought to Shanghai twenty-one skilled workers who will take charge of the Kiangnan Dock and operate it in future. The Kiangnan Dock is well known to American shipping interests through construction and repair of U. S. Yangtsze patrol steamers and repair of other American commercial and naval craft. During the World War the Kiangnan Dock constructed several large cargo steamers for the U. S. Government.

The Nisshin Kisen Kaisha, owner of the six cargo steamers which the Chinese authorities sank in the Whangpoo at the beginning of the war, in order to prevent Japanese warcraft from navigating the upper harbor, announced this week its intention of attempting to float the ships. Prior to sinking the boats the Chinese filled them with cement and mud, hence the floating process presents a considerable problem. It is necessary to remove the boom in order to send ships to the Kiangnan Dock, Dollar Company wharf or godowns of the China Merchants Steam Navigation Company, located on the French Concession, Pootung or Nantao Bunds.

Chinese Forces to Take Offensive

The Chinese forces on the south-eastern front, comprizing eastern Anhwei and northern Chekiang, will launch a general offensive in the near future in an attempt to smash the Japanese line between Hangchow and Wuhu, according to Chinese sources in Hankow, Feb. 23.

Although the Japanese are said to be holding both Hangchow and Wuhu in force, they are believed to have stationed only small garrisons at points between these two cities.

Chinese troops, it is claimed, launched an attack on Wuhu on February 13 and a drive towards Hangchow on February 16, but after capturing strategic points near both cities, were compelled to withdraw because of heavy artillery bombardments.

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Lake Baikal—Key to Asia

BY HARRISON BROWN

(*From the London News Chronicle and Living Age, Boston*)

ON THE map it is a curved white streak like a leaping fish. From the air it looks like vodka in a dark-rimmed mug.

But around its shores one thinks of Switzerland before the time of villas. Such is Lake Baikal, strategic center for two great nations and a possible cradle of a future war.

This great expanse of water in Eastern Siberia is one of the strangest lakes in the world. It runs from north to southwest for nearly 400 miles, but in width it varies only between 20 and 45 miles, so that the opposite shore is always visible.

It is surrounded by cliffs and mountains from the slopes of which nearly three hundred torrents pour in their waters. In Lake Baikla itself the water is clear as glass and always icy cold. In places it is almost a mile deep.

Though known to few Europeans, Baikal has been for centuries a source of legend and folksong to the native Buryats. They tell of the fierce storms, said to be among the worst in the world, which sweep down the mountain valleys and lash the lake into a seething cauldron. Many stories are told, too, of old fights with the Cossacks. It is a weird land of camp fires and of horsemen as wild as their half-tamed beasts. There are tales of magic, too, for even today the rattle of the sorcerer's tambourine can be heard among the nomads a few miles away.

Baikal lies in Buryat Mongolia, one of the two yellow Republics, of Siberia. To the South lies Outer Mongolia, protege of the U.S.S.R., the capital of which, Ulan Bator, is connected by road and air transport with Ulan Ude, capital of the Buryat. In 1924 the Soviets assisted at the birth of the Mongolian Peoples' Republic and the influence of Moscow has been predominant there. Since that time Outer Mongolia has been virtually a closed land to the outside world.

There is no reason, however, to doubt the reports that the revolution has now become complete. The agelong sway of the lamas and fuedal lords has been overthrown, collectivism has been established, the nomads are being educated and the youth, as everywhere in the Soviet Union itself, is being made safe for Communism.

In this part of the world history and geography are both in the making. To understand why Baikal is a potential storm center we must look eastward.

On the East, Outer Mongolia borders upon Jpaan's puppet State of Manchukuo, and upon Inner Mongolia. The Trans-Siberian railway, which skirts Lake Baikal, continues through the Buryat Republic and then for a thousand miles runs close to Japanese territory, at some points only a few miles distant. But it does not run in a straight line. At Khabarovsk, the headquarters of the Far Eastern Red Army, the line turns southward down Russia's Maritime Province to Vladivostok. And Vladivostok is only a few hours by air from Japan's great industrial centers.

II

It is like a chess game. Manchukuo and Mongolia are pawns in that game. To the Japanese the Baikal area is Russia's Queen. If she could take that piece, the game in the Far East might be nearly won. The vast wealth of Siberia would be hers and, aobve all, Russia would be forced to relinquish the Maritime Province, which Japan considers as an ever-present threat to her security.

Belief that this can be done, at least by those in the field, is then the cause both of the border incidents which periodically get into the headlines, and of Japan's efforts to shake the new regime in Outer Mongolia by stirring up the dispossessed lamas.

There is no doubt that Japan has her agents among these people. She has, indeed, confessed to harboring a scheme for an 'independent' Mongolia which should unite the 2,000,000 Mongols living in Manchukuo, the 1,500,000 Mongols of Inner Mongolia, the 750,000 of Outer Mongolia and the 500,000 in the Buryat, who are at present Russian ictizens.

Japan has even promised the feudal lords of Inner Mongolia the whole Province of Hsingan if they will further this scheme. The stakes in this mighty chess game are enormous and are not all political. Siberia, as a hwole, is the richest region in the world still largely unexploited. In area it is larger than all Europe together and, if much of it is uninhabitable, the resources of other parts are incalculable. Apart from its inexhaustible fisheries and timber, it has coal and minerals in profusion, cattle and grain lands by the million acres.

Outer Mongolia, which Russia must continue to control if if she is to hold her Eastern Empire, is also not negligible economically. It is chiefly cattle country and gives Russia exclusive access to its hides and wool, the latter of which in particular she needs. It is also Russia's fourth most important foreign market.

Lake Baikal stretches almost 4o the Lena River and its gold fields, with all the great industrial and power developments which are taking place there.

The strategic importance of Outer Mongolia, however, is the dominant factor. To the Japanese, Outer Mongolia is the key to Baikal and the cutting of communication between Moscow and the Far East. To the Russians, Outer Mongolia is the corridor to China and the still unexploited parts of Asia.

Nothing is certain, but the sands appear to be running out from the Japanese hour-glass. Time favors the Russians. To begin with, the Far Eastern District is rapidly becoming impregnable from the military viewpoint. No longer is it an army 6,000 miles from its base which could be cut off and starved out.

The many new settlements have created bases throughout its area. There are now both food and industrial plants to utilize the local minerals. Time, too, favors the Soviets in the shape of youth. The young generation is the favored class in the Soviet Union and every year sees more enthusiasts for the regime.

Finally, to make assurance doubly sure, a new railway line is being pushed forward which does not skirt this ticklish frontier. From Krasnoyarsk on the Yenisei River it runs through the taiga north of Lake Baikal to Komsomolsk, where it jonis the line up the Amur Valley from Khabarovsk. Chraacteristically enough Komsomolsk is a town being built entirely by young people and, as its name indicates, it is called after the Communist Youth Organization.

The young Japanese officers in the field see only across the border. The plums are fat and ripe and their confidence is great. Border 'incidents" result. But Moscow will not fight over incidents, not even when they assume the character of a small invasion such as that of last March.

Only if Outer Mongolia is attacked will Russia fight, as Stalin announced si xmonths ago. Since then a mutual assistance Pact between the two countries has been made public.

So now they know in Tokyo. There can be no stealthy approach to Baikal by maneuver. Its price must be a long and costly war and that, it becomes increasingly certain, Japan will not venture upon alone. From a pawn Outer Mongolia has become a chkief piece on the board and effectively protedcts Baikal, Russia's Queen.

Soviet Set Wire Entanglements Around Japanese Embassy At Moscow

"In spite of repeated Japanese protests, the illegal oppression of Japanese residents by the Soviet authorities has become increasingly intensified and of late the Soviet authorities have even gone the length of taking unscrupulous measures to menace the activity and living of members of the staff of the Japanese Embassy," the *Yomiuri Shimbun* asserted Feb. 22.

"According to an official report received from Mr. Mamoru Shigemitsu, the Japanese Ambassador at Moscow, by the Foreign Office on the night of February 21, the Soviet authorities a few days ago started engaging scores of workers in constructing wire entanglements around the Japanese Embassy. The illegal steps were also taken to charge the wire entanglements with high-pressure electric current.

"On February 20, Ambassador Shigemitsu called on the chief of the ceremonies department of the Foreign Commisariat to demand the removal of the wire entanglements. The Soviet official replied: 'Some of the foreign diplomatic offices in Moscow constructed wire entangelments. What I have done is aimed to ensure the protection of the diplomats of your country and it is the common sense of law-governed, civilized nations.'

"As the Soviet authorities have so far failed to remove the wire entanglements, Ambassador Shigemitsu feels indignant and his indignation prompted him to send the report to the Foreign Office. As it is only recently that the Soviet authorities interfered in the supply of medicines and drinking water to the staff members of the Japanese consulate-general at Vladivostok, the Foreign Office attaches great importance to the outrageous construction of wire entanglements around the Japanese Embassy."

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YOUR HELP NEEDED!

Up to January 22nd, the Shanghai International Red Cross has among other things spent $417,527.34 for caring of refugees, $109,392.38 for wounded soldiers, $59,063.69 for medical supplies, and $19,379.40 for civilian hospitals. Though these are large sums, they have not been sufficient to meet the needs of the multitudes of war sufferers in the city.

Beginning from January, the Shanghai International Red Cross has undertaken the responsibility of supporting some 150,000 more refugees. For this additional relief burden, no less than $450,000 are required per month.

In view of this desperate situation, the Shanghai International Red Cross feels that unless increasingly large donations can be obtained from friends in outports and abroad, its work cannot go on unhampered. Will you extend a helping hand in this humanitarian work? If so, please sign the blank below and send your donation today.

.....

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